

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr. 35; DENMARK Kr. 6.50; FRANCE Fr. 6.00; GERMANY DM 2.0; ITALY L.1,000; NETHERLANDS Fl. 2.25; NORWAY Kr. 6.00; PORTUGAL Esc. 50; SPAIN Ptas. 95; SWEDEN S. 100; SWITZERLAND Fr. 2.0; EIRE 50g; MALTA 30p

U.S. brands Argentina as aggressor

THE U.S. yesterday dramatically abandoned its neutral stance in the Falklands crisis and sided heavily with the UK as Britain stepped up its blockade of the islands and appeared to move to the brink of war with Argentina.

There would be no direct American military involvement in what he said was likely to be a "large-scale military action" in the south Atlantic.

In New York, Sr. Nicanor Costa Mendez, the Argentinean Foreign Minister, said that his Government "is always ready to comply" with the United Nations Security Council's mandatory resolution "in its entirety".

Mr Haig for the first time publicly branded Argentina as the aggressor, but said that the U.S. had not yet received any British request for assistance.

of certification of Argentina's eligibility for U.S. military sales; suspension of U.S. Export-Import Bank credits and guarantees and suspension of Commodity Credit Corporation guarantees for U.S. agricultural exports to Argentina.

major impact. There have been no U.S. arms sales to Argentina since 1978.

Bridget Bloom defence correspondent adds: The American offer of materiel support to Britain's forces in the south Atlantic has been warmly welcomed by the Defence Ministry.

NEWS SUMMARY

GENERAL

Iran in big offensive against Iraq

Iran yesterday launched its biggest offensive in the 20-month war with Iraq with a three-pronged attack apparently aimed to recapture the oil-rich province of Khuzestan.

Iran's state news agency reported battles in all the areas mentioned by Iran but claimed to have stopped one of the attacks, killing 2,500.

Iran said it had captured 3,000 Iraqis and was heading for the occupied Iranian city of Khorramshahr.

EEC farm 'deal'

EEC agricultural ministers provisionally agreed record farm price rises, increasing pressure for a solution to limit the UK's budget payments.

Youth training

The Government is likely to insist that school leavers refusing a place on the new youth training scheme forfeit supplementary benefit.

£90,000 damages

Fire instructor Kenneth Williams burnt in an RAF practice exercise eight years ago, was awarded £90,000 agreed damages against the Defence Ministry.

RAF base deaths

Two RAF bomb disposal squad members were killed and two others hurt in an explosion at a bombing range at West Freugh, near Stranraer.

Passenger jailed

A van passenger who caused an accident in which one elderly woman died and another was injured, was jailed for four years in London.

Airliner hijacked

A Polish airliner on a domestic flight was hijacked to West Berlin. May Day worries, Page 2

New car bonuses

Vauxhall announced a further bonus scheme for dealers while Ford started its first campaign to lift Cortina sales. Page 3

Villa stay in Cup

Aston Villa will not be expelled from the European Soccer Cup Final for last week's crowd disturbance at a semi-final match in Brussels.

Briefly...

Two Norfolk pensioners plan to cycle 5,000 miles across Canada. Sir Charles Clow left estate valued at £14.8m net. Page 3

Britain's first test tube twins were born in London.

Publisher's notice

The Financial Times will not be published on Monday, May 3, the May Day Bank Holiday.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various stocks and their price changes.

What the U.S. will do

- Suspension of all military exports to Argentina
• The withholding of certification of Argentine eligibility for military sales
• Suspension of new Export-Import Bank credits and guarantees
• Suspension of Commodity Credit Corporation guarantees
• A positive response to requests for materiel support for British forces

FALKLANDS WEATHER: Winds NW Force 6-7 (25-30 knots); 10-12 ft seas and 10 ft NW swells. Mostly cloudy, warming gradually. Outlook: Rain and strong NW winds with high seas and swells.

Sterling rises amid hopes of peaceful solution

STERLING jumped more than 2 cents in New York yesterday in immediate reaction to the Argentine statement which brought hopes of a peaceful solution to the crisis.

was fluctuating in the £1/\$1.92 range with margins very wide as dealers tried to assess the news.

Foreign exchange dealers said the prospects for a cut in UK interest rates if the Falklands crisis is resolved will limit the scope for sterling to appreciate.

the news about the Argentine position was not as cut and dried as it had first seemed, gold recovered a little and was trading about \$12 down on Thursday's close at \$346 per ounce in early afternoon trading in New York, compared with a low of about \$332.

Silver followed gold's speculative fast plunge and dropped from \$7.25 an ounce to \$6.88 an ounce in a matter of minutes. But it was also recovering, although in early afternoon trading it was still about 25 cents down on the previous day at \$7.03 an ounce.

U.S. economic indicators fall

GLOOM IN THE U.S. deepened yesterday as the U.S. Commerce Department published another grim set of economic indicators. The political atmosphere in Congress was soured by President Ronald Reagan's attempt to blame the collapse of budget talks on the leadership of the Democratic Party.

chairman was forced to adjourn the meeting to avoid this embarrassment. Senator Ernest Hollings, the committee's senior Democrat, said the President and his supporters were moving the country toward an "economic Armageddon."

President's original budget, was widely condemned for allowing an "unacceptably high" deficit of \$91.5bn in 1983.

HK A NEW FORCE IN UNIT TRUSTS

The Hongkong and Shanghai Banking Corporation, one of the world's largest financial institutions with over £3,000 million under management, has established a new international investment management team in London which offers investors in HK unit trusts unique experience and expertise on a global scale.

RECOVERY OPPORTUNITIES NOW

Interest rates in the UK have been falling since the Budget and there can be little doubt that, internationally, the trend is downwards. Thus there is every reason to believe that hoped-for economic recovery is about to become reality, presenting opportunities for profitable investment to those with the foresight, resources and capability to exploit them.

Table with columns for Appointments, Foreign Exchanges, Property, and Unit Trusts, listing various market indicators.

HK UNIT TRUST MANAGERS LTD. A MEMBER OF THE HONGKONG BANK GROUP

OVERSEAS

Opec plans aid package for Nigerians

BY RICHARD JOHNS, MIDDLE EAST EDITOR

A SHORT-TERM financial aid package for Nigeria worth \$1bn (\$557m) is understood to be the main topic of discussion this week...

The burden is expected to be borne almost wholly by Saudi Arabia with the other conservative Arab oil-producing states contributing only nominal amounts...

Japan denies Saudi rebuff

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

OFFICIALS OF Japan's Ministry of International Trade and Industry (MITI) yesterday refused to confirm reports that the last-minute cancellation by Saudi Arabia of a planned visit by Mr Shintaro Abe, the MITI Minister, was a deliberate rebuff designed to express Saudi displeasure with Japan's position in the Golan Heights issue.

They said that the visit appeared to have been called off simply because King Khalid would not have been in Riyadh at the time of Mr Abe's visit. The Minister left Tokyo on Thursday for a tour of the Middle East which was originally supposed to include Saudi Arabia and the United Arab Emirates. He will now only be visiting the UAE.

Gandhi postpones visits to U.S. and Russia

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, India's Prime Minister, has postponed visits to the Soviet Union and the U.S. which she had planned to make in June and July. No official reason has been given for the postponement.

Cordial atmosphere at Botha-Kaunda talks

BY J. D. F. JONES IN KOPFONTEIN

MR F. W. BOTHA, the South African Prime Minister, met President Kenneth Kaunda of Zambia here yesterday in the first top-level talks between a leader of the republic and a front line state since 1975.

Neither made any comment, and a communique issued after the three hours of talks said only that there had been a "frank exchange of views" which both had found "useful".

But President Kaunda is due to make a public speech today and Mr Botha has a foreign affairs debate in parliament in Cape Town next week, so something of the substance of the meeting will presumably emerge shortly.

There was no clue yesterday whether there had been progress on the Namibian issue, for example, or whether the South Africans might make any concessions over their imprisoned black African nationalist leaders.

The meeting was held in the open bush-veld on the frontier between Botswana and South Africa - indeed, the conference table was placed precisely and literally on the border, so that President Kaunda was able, if he had so wished, to decline to set foot in South Africa.

while Mr Botha could similarly stay within the republic. Four miles down the border from the main crossing between Transvaal and Botswana's capital, Gaborone, the South African Defence Force had installed three portable cabins as well as facilities for communications, catering and, of course, intensive security.

Mr Botha, whose party included Mr P. W. Botha, his Foreign Minister, and Mr Magnus Malan, his Defence Minister, arrived by helicopter from the northern Transvaal where the previous night he had addressed a political rally in an area which is in revolt against his ruling National Party.

President Kaunda and his party, which included Mr Rubin Kananga of the Central Committee, Mr Frederick Chomba, Minister of Home Affairs, and Professor Lameck Goma, Minister of Foreign Affairs, flew into Gaborone and came by car from there.

The South Africans, presumably anxious to focus international attention on their willingness to meet and talk with black Africa, encouraged a large Press turnout.



Zbigniew Brzezinski: appeal for disruption

May Day worries for Polish authorities

By Christopher Bobinski

LAST YEAR Poland's Communist authorities were worried that no one would turn up for their traditional May Day parade. This was because the independent trade union Solidarity was at the height of its influence and had told its members to stay away.

This year, in contrast, the authorities are concerned that supporters of the union, which was suspended last December 13 with the introduction of martial law, will turn up and spoil the occasion.

Security for the event is strict, and residents in flats overlooking the route have been told to stay away from their windows from 6 am until the march has passed.

The parade, with General Wojciech Jaruzelski leading his supporters, will be tightly controlled. The day is to be heralded by a 24-gun salute, underlining for Poles the nature of the regime under which they are living.

Mr Zbigniew Brzezinski, the head of Solidarity in Warsaw, who is still in hiding, has suggested that his members turn up at the start of the parade. They should put up banners, wear their union badges and sing songs. Mr Brzezinski then wants them to go home without taking part in the march.

Solidarity is relying on a broadcast of its clandestine radio station, due to come on the air on Friday evening, to put this message across, if the authorities do not manage to jam it.

The radio is expected to suggest to people that they go to church for special masses at 10 am, then go to the park for a walk "leaving the streets to the authorities".

A third suggestion, which is also due to have an airing, is that people should go to Warsaw Cathedral for mass at 10 am, then march 50 yards into the main square outside the rebuilt Royal Castle. This suggestion comes from a group of factories in the Wola district in western Warsaw.

Switzerland to stick to money supply target

By John Wicks in Zurich

DESPITE the difficulties confronting Swiss business, the country's National Bank will keep to its target of 3 per cent for money supply growth in 1982.

This was stated by Dr Fritz Leutwiler, National Bank chairman, at the bank's general meeting in Bern yesterday.

Dr Leutwiler said the monetary authority was aware of the situation facing a number of Swiss industries and companies, where international recession had been aggravated by the weakness of the D-Mark.

There would, however, be no change of National Bank policy. There was an intention of linking money supply to the D-Mark rate or carrying out individual aid programmes.

He also rejected recent suggestions that the National Bank should pass on profits to the federal Government. Apart from statutory considerations, history had shown that no country had ever succeeded in balancing its budget solely by increasing income.

"If such additional income were able to be acquired without burdening the taxpayer, there would have to be an over-riding temptation to raise Government spending sharply," he said.

Paris reviews tests

FRANCE is calling home 11 ambassadors from the Pacific Ocean region for a major review of policy including nuclear testing in the area, officials said. Reuter reports from Paris.

A four-day meeting next week will discuss France's role in the region, where a number of countries have expressed opposition to nuclear explosions.

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ADB loans to be kept for poorest

By Emilia Tagaza in Manila

MIDDLE-INCOME Asian countries will be under greater pressure to resort to the market and leave soft-term concessional and ordinary loans from the Asian Development Bank (ADB), the region's multi-lateral lender, to poorer countries. This emerged from the tough line on development aid of the present U.S. Administration as put at the ADB's annual meeting which ended here yesterday.

Both the Asian and European members of the Bank failed to convince the U.S. to increase its share of the funding for the ADB's soft loan window, the Asian Development Fund (ADF) which lends interest-free 40-year money to its poor members. The U.S. also remains unsympathetic to the Bank's proposal for a 125 per cent increase in the ADF's capital resources from which the bank lends at 11 per cent.

At the end of the meeting, ADB president Mr Masao Fujioke admitted that the \$3.2bn (£1.78bn) raised for the ADF for the period 1983 to 1986 is much lower than the original target of \$4.1bn. The amount is just enough to maintain ADB's soft lending at current levels.

Japan is shouldering the burden of the ADF, having committed \$1.2bn while the U.S. kept its contribution at \$520m. The rest was shared by Canada, Australia, Germany, France, Italy and the UK.

With the ADF to be restricted to the "poorest of the poor", middle-income member-countries will be scrambling for the Bank's ordinary loans. Mr Fujioke said that he is confident that agreement on a capital increase will be reached by mid-year. Subsequent capital at end-1981 was \$8.3bn.

However, if the bank's proposal for a 125 per cent increase is not reached, there will be a further strain on its lending. India, which has not borrowed from ADB since its establishment 15 years ago, has announced that it will start approaching the bank's ordinary loan window starting 1983.

Faced with all the constraints on its lending, the bank is pushing more aggressively the idea of co-financing projects with private commercial sources. As of 1981, ADB had allocated \$2.55bn of loans to co-financed projects. But of this, only \$350m came from export credit and private commercial sources. The rest came from bilateral and official sources.

Another tool that the bank might use to mobilise commercial funds is equity investment in selected projects. But during the bank governor's meeting, the consensus was that ADB must move more cautiously toward equity investment.

Jobless evicted

THE UGANDA Government yesterday ordered all unemployed males to leave the capital, Kampala, by today in an unprecedented move against anti-government guerrillas and their supporters. Reuter reports from Nairobi.

Japanese agree to transfer defence technology to U.S.

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

THE THREE Japanese Ministries most closely concerned with arms exports are believed to have agreed in principle to a U.S. request to permit a transfer of defence technology.

The agreement, following almost a year of deliberation by the Ministries of Foreign Affairs, International Trade and Industry and the Defence Agency, means that U.S. weapons manufacturers will be given access to advanced Japanese integrated circuits and optical fibre technology.

Most of the transfers will take place between private companies and the technology in question may not be explicitly labelled as being for defence purposes. Japan, however, had to make an important departure from its overall policy of banning arms exports in any shape or form in order to meet the U.S. demand.

When U.S. officials first raised the question of a Japanese defence technology transfer last summer the Ministry of Foreign Affairs and the Defence Agency reacted favourably. The Ministry of International Trade and Industry, which administers controls on arms exports took a much less positive view but has now apparently been persuaded.

Approval of the transfer is expected to be made conditional on an undertaking by the U.S. not to re-export weapons incorporating Japanese technology to third countries. It could also include a stipulation that transfers will be suspended in time of war. A political decision still has to be taken on whether or not to include this second condition.

Japanese arms exports are regulated by a code which bans shipments to communist countries at war and those which have been declared "ineligible" by the UN. In practice an almost total ban has been maintained since the mid 1970s.

The Government now seems to have decided that Japan's obligations under the U.S.-Japan Security Agreement are more important than an extra legal prohibition against arms exports.



Mr Douglas Fraser (left) president of the United Auto Workers' union of the United States, greets Japanese Foreign Minister Sakurai on a visit to the Foreign Ministry

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Modest growth for Greek economy forecast

BY VICTOR WALKER IN ATHENS

GREECE'S Socialist Government can expect a modest resumption of economic growth this year but a long term improvement will depend on the solution of basic structural weaknesses, Mr Gherassimos Arsenis, governor of the Bank of Greece, told the bank's annual meeting yesterday.

The main problems besetting the Greek economy were recession, high inflation and the balance of payments deficit, he said.

Current indications suggest that recession has hit its trough but that a moderate recovery is forthcoming," he said.

However, in view of the economic conditions prevailing both at home and abroad, a rapid economic recovery presupposes extensive changes in the structure of the Greek economy and considerable head-

way in tackling certain of its basic weaknesses, while are reflected in low productivity and the balance of payments deficit.

"The Government cannot boost domestic demand further without endangering domestic economic equilibrium and the stability of the payments balance."

Mr Arsenis forecast that gross national product, which last year declined by 1.1 per cent, should grow by at least 1.5 per cent in 1982 because of an expected increase in agricultural production, greater activity in small-scale business, and the effects of incomes and fiscal policies on domestic demand.

Inflation this year would be lower than the 24.5 per cent annual average in 1981, provided

pay rises were held within the limits set by the Government's incomes policy.

The current account deficit, he said, should decrease this year by \$300m (£170m) to about \$2bn and would be covered easily by private capital inflows and private sector borrowing.

The \$340m loan contracted recently by the Bank of Greece on the European market showed Greece's high creditworthiness. Mr Arsenis said it was hoped to reduce the public sector borrowing requirement this year to 12.5 per cent of GNP against 15.2 per cent in 1981. Public sector foreign borrowing last year reached \$1.2bn, with the result that the external public debt rose by an estimated 15 per cent and the debt service ratio increased

from 7.4 per cent in 1980 to 10.8 per cent last year. Mr Arsenis said that the drachmas' effective exchange rate depreciated by 11.2 per cent in 1981 after a 13.3 per cent depreciation in 1980.

Fourth West Bank mayor sacked in PLO crackdown

BY OUR TEL AVIV CORRESPONDENT

ISRAELI YESTERDAY dismissed a fourth West Bank mayor in its crackdown against supporters of the Palestine Liberation Organisation (PLO) in the occupied territories.

A military spokesman said Mr Wahid Hamdala, mayor of Anabta, had been sacked because of "continuous incitement against Israel and for carrying out hostile activities."

Last month Israel dismissed the mayors of Nabulus, Ramallah and El Bireh, setting off some of the most serious disturbances in 15 years of Israeli occupation. Like Mr Hamdala they were PLO hardliners elected in Israeli-supervised elections in 1976.

OECD predicts near zero industrial growth in West

BY DAVID HOUSEGO IN PARIS

INDUSTRIALISED NATIONS will have virtually zero growth this year instead of the modest recovery which had been expected.

This is the assessment of the Secretariat of the 24-nation Organisation for Economic Co-operation and Development (OECD), which has further revised downwards its forecasts of the pace of world economic activity since its half yearly review published last December.

The gloomier estimate will be Ministers of OECD nations who hold their annual Ministerial meeting in Paris on May 10 and 11. It will also provide a framework for the seven-nation summit of industrialised countries at Versailles in early June.

The OECD now foresees 0.3 per cent growth in real GNP for member states in 1982 as opposed to the 14 per cent it was forecasting in December. Its view then had been of a 1 per cent growth in the first half of this year, followed by a modest recovery of 31 per cent in the second six months.

The now expected stagnation this year follows a 14 per cent growth in 1981 and is largely due to the more prolonged than expected slowdown in the U.S. economy.

For 1983 the OECD secretariat foresees a 2.8 per cent growth in GNP for industrialised nations.

Sicilian opponent of Mafia shot in ambush

BY RUPERT CORNWELL IN ROME

GUNMEN, probably from the Mafia yesterday shot dead Sig Plo La Torre, Regional Secretary of the Communist Party in Sicily, together with his driver in an ambush in central Palermo.

The crime represents the organisation's most ruthless challenge to the State in more than two years, and removes from the scene one of the Italian politicians most deeply committed to breaking the Mafia's grip on the economy of Western Sicily.

The news stunned the political world here, still shaken by the killing in Naples earlier this week of a Christian Democrat regional councillor by the Left-wing terrorists of the Red Brigade.

Sig Enrico Berlinguer, the Communist Party leader, left Palermo immediately upon hearing of the outrage. Protest strikes and demonstrations took place yesterday afternoon up and down the country, while L'Unita, the Communist Party's newspaper came out in a special

afternoon edition reporting the double murder. Meanwhile, Sig Giovanni Spadolini, the Prime Minister, held urgent talks with General Carlo Alberto Dalla Chiesa, the Carabinieri commander and anti-terrorist specialist, who earlier this month was named Prefect of Palermo as part of the Government's drive against the Mafia.

The death of Sig La Torre, a leading light on the Parliament's committee of enquiry into the Mafia, is but the latest

in a long series of killings, mostly unpublicised, of leading figures in Sicily who are attempting to fight the organisation.

In the late 1970s, a number of police officers, politicians and magistrates probing the Mafia were murdered, culminating with the assassination, in January 1980, of Sig Pierantoni Mattarella, the widely respected Christian Democrat President of the region.

● Sig La Torre

Advertisement for CARON featuring a bottle and the text 'POUR UN HOMME' and 'CARON'.

Italian Government fate may hang on party congress

BY OUR ROME CORRESPONDENT

THE CHRISTIAN Democrat Party Congress, which could hold the key to the fate of the present, fragile Government, begins tomorrow amid complete uncertainty over who will emerge as leader and what strategy will be endorsed.

The main contenders for the leadership appeared yesterday to be Sig Ciriacò de Mita, from the party's Left, Sig Arnaldo Forlani, the former Prime Minister and current party president, and Sig Flaminio Piccoli, the outgoing secretary.

But neither they, nor the possible compromise candidate Sig Giulio Andreotti (another former Prime Minister) have yet thrown their hats into the ring. The only declared candidate for party secretary—who will be directly elected by the congress—is Sig Roberto Mazzotta. He is identified with the conservative

anti-communist wing of the Christian Democrats.

Sig Mazzotta comes from that wide stratum of the party deeply concerned over its image, which has been tarnished by scandal. It was weakened further last summer when Sig Giovanni Spadolini, the Republican party leader, became the first Prime Minister from outside the Christian Democrats for 36

years. But his chances are considered negligible. Barring an unexpected revolt by ordinary delegates, the outcome will be decided in last minute consultations between the leaders of the various factions.

Overshadowing everything is the question of relations with the Socialists, whose rivalry with the Christian Democrats still threatens to send the coun-

try into early general elections later this year. The adoption of a relatively pro-Socialist figure such as Sig Forlani might offer a new lease of life to the battered coalition led by Sig Spadolini. A triumph for Sig de Mita, backed by factions hostile to the socialists and yearning instead for a closer relationship with the Communists, could swiftly bring it down.

THE FALKLANDS CRISIS

Falklands office appeals for funds

By James McDonald THE FALKLAND Islands Office - the independent organisation in London which represents Falkland Islanders wanting to remain under British sovereignty - is appealing for financial help.

UK ships order satellite terminals

A NORWEGIAN company which makes satellite ship terminals has received a spate of orders from British customers since the Falklands crisis broke.

UK NEWS

Brittan warns on bank-lending restraint

BY MAX WILKINSON, ECONOMICS CORRESPONDENT BANK LENDING might have to be restrained if it continued at a high enough level to threaten the Government counter-inflation strategy.

Clore estate valued at £14.8m net

By Raymond Hughes SIR CHARLES CLORE, founder of the Sears Holdings business empire, left an estate valued at £28,300,890 gross.

Isle of Lewis fish factory fails

BY MARK MEREDITH, SCOTTISH CORRESPONDENT A FISH-DRYING factory on the Isle of Lewis, in the Hebrides, which it was once hoped would offer a new future for the fishermen of the Western Isles, has gone into receivership.

Hornby Hobbies to shed 400 staff

BY MAURICE SAMUELSON HORNBY HOBBIES, the model railway company, is to shed a third of its 1,200 staff at its factory at Margate, Kent.

Howden to pay over Qantas

BY JOHN MOORE, City Correspondent ALEXANDER HOWDEN Group, the insurance broker with large Lloyd's interests, is paying up to £600,000 (£335,195) out of its own group's funds to Lloyd's underwriters in connection with the placing of the aviation insurance business of Qantas, Australia's national airline.

Soviet gold sales reach 280 tonnes

BY DAVID MARSH THE SOVIET UNION is estimated to have sold 280 tonnes of gold on world markets last year, more than three times the 1980 figure of 80 tonnes, according to Samuel Montagu, the London merchant bank and bullion dealer.

Vauxhall launches further bonus plan

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT VAUXHALL intensified the already-severe competition in the new car market yesterday by telling its dealers they will receive a bonus of up to £300 a car if they reach May sales targets.

Campaign to boost Cortina

BY OUR MOTOR INDUSTRY CORRESPONDENT FORD OF BRITAIN today launched the first of its campaigns to boost Cortina sales before production ends in August.

Cash aid for Lear Fan

THE GOVERNMENT has given more cash to the Northern Ireland subsidiary of the U.S.-based Lear Fan Corporation until £50m can be raised from U.S. and British investors.

U.S. sanctions back Britain as peace moves fail Text of Haig's statement

The following is the edited text of yesterday's statement on the Falkland Islands crisis by Mr. Alexander Haig, the U.S. Secretary of State: The South Atlantic crisis is about to enter a new and dangerous phase, in which large-scale military action is likely.

Argentina prepares emergency economic measures

BY ANDREW WHITLEY IN BUENOS AIRES ARGENTINA has drawn up an emergency economic package to be put into effect in the event of all out hostilities with Britain.

W. Germany denies N-bomb claims

THE BBC film alleging that West Germany has helped Argentina come close to producing the atomic bomb has been described as "a piece of gangster journalism" by Herr Franz Josef Strauss, the conservative Opposition leader here.



Mr Haig... sanctions imposed on Argentina

Trade with Venezuela 'paralysed'

BY KIM FUND IN CARACAS VENEZUELA's commercial relations with Britain are "paralysed" according to Dr Luis Herrera Campesino, Venezuelan President.

in the search for peace. The British Government has shown complete understanding for this position. Now, however, in light of Argentina's failure to accept a compromise, we must take concrete steps to underscore that the U.S. cannot and will not condone the use of unlawful force to resolve disputes.





# THE WEEK IN THE MARKETS

## Late dealings in the exclusion zone

Reports of Argentina's apparent climbdown came too late on Friday afternoon to be generally reflected in share prices. Late dealing was at levels indicating that the FT 30 Share Index might have risen 15 or 20 points, and one dealer was apparently prepared to trade in gilt-edged as much as three points above the closing price.

Until the pre-holiday account ended on Thursday, good corporate news had been edging prices upwards. Some of the news being very good—namely from BAT, Marks and Spencer, Tarmac and Blue Circle—there was slightly more pressure of buying than in the previous week.

Perhaps there was a sudden bout of nerves on Friday morning, or disappointment about ICI's first quarter. But the market certainly went into reverse, just when its earlier insouciance was seemingly justified.

**BAT's puffs**

BAT Industries has been the market's darling for over a year and the results this week more than lived up to the most optimistic of expectations. City pundits spent a jolly time patting themselves on the back at the success of their earlier "buy" recommendations.

When reporting an interim

### LONDON ONLOOKER

profits advance of 31 per cent to £278m Sir Peter Macadam, the chairman, indicated a "significant advance" for the year. Analysts were hoping for a full year outturn around the £620m to £630m area. The actual figures, showing a massive 43 per cent jump to £684m, delighted BAT followers and the shares rose by close to a tooth over the week.

Of course the currency factor is a potent force in BAT's results. Brokers Hoare Govett estimate that a one cent move in the sterling/dollar exchange rate between year ends has a gearing effect on sterling-reported profits of £2.5m. In 1981 the weakness of sterling gave BAT an extra £100m profit. Even so the underlying profits advance of 22 per cent pre-tax is well ahead of the historic norm ranging between 12 and 15 per cent.

Tobacco, accounting for three-quarters of trading profits, is still the backbone of the group despite diversification moves over the years. Cigarette volume fell by around 1 per cent overall because of the weakness in the important Brazilian market. In

the U.S. Brown and Williamson has been able to reverse the trend of past years and pick up market share pushing it close to 14 per cent. Meantime in the UK the group continues to carve out a place for itself and despite the slide in UK consumption BAT was able to push domestic volume up by a significant amount getting the operation close to break even.

Retail operations in the States have been successful increasing trading profits by 35 per cent in dollar terms. Gimbel's has been turned round and Saks Fifth Avenue and Kohl department stores turned to good results. The only real fly in Bat's retail ointment is International Stores in the UK. The food retailing chain continues to produce a dismal financial performance—losing £5.4m before property disposals last year.

Currency factors remain as important as ever, forecasting for the current year is a tentative exercise. Nevertheless figures of £750m pre-tax are already being fed into calculators and with a historic yield of 7½ per cent the upward path of the share price might not be over yet.

### ICI's rapese

The impact of falling oil prices on ICI's first quarter

profits was much more severe than the market had been expecting and, even though the ground had been prepared by a gloomy statement at last week's annual meeting, the shares fell 6p to 318p after the announcement.

Profits were £62m before tax, compared with £52m to the first quarter of last year. In the final three months of 1981, ICI made £114m after £20m of exceptional currency profits. So the progressive recovery which gathered momentum last year has foundered. A combination of lower production and lower prices from the Nigerian field halved oil profits to £12m compared with the previous quarter. Plastics and petrochemicals remained heavily in loss, since the lower feedstock prices were matched by falling product prices and ICI was forced to de-stock and reduce output volume at a cost of about £20m.

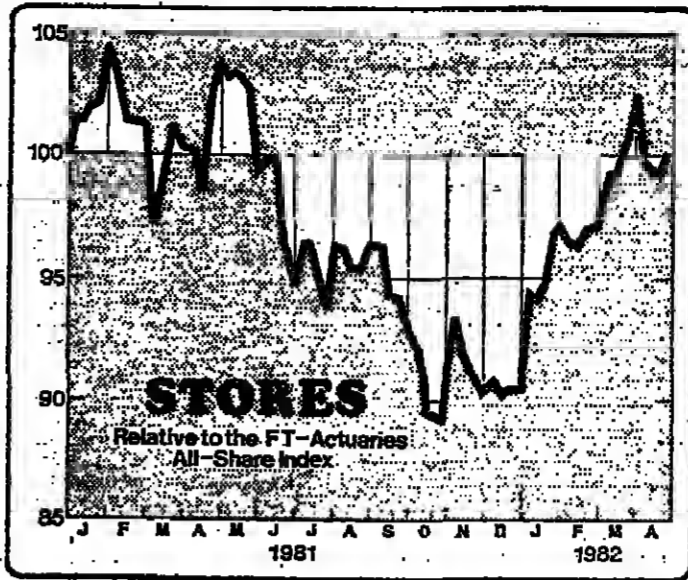
On top of the problems in oil and oil products, ICI had to contend with appalling weather which helped to reduce UK chemical volume by 2 per cent, and with a slight adverse swing in the sterling/Deutsche Mark rate.

But at least the rationalisation measures undertaken in the UK seem to be paying off and domestic demand must be close to the bottom. Both fibres and organics reduced their losses substantially in the first quarter and made a good start in April. The rest of the year will benefit from a gradual reduction in severance payments, which cost about £12m in the first three months, and from the inroads being made by Terwin in the U.S. drug market.

The demand picture is very patchy with continental European volume, for example, increasing by 5 per cent in the first quarter. But overall volume was up by only 1 per cent and selling prices increased by roughly the same amount. This is woefully inadequate and it may well be that demand stays fairly flat until the end of this year. If that is the case, full restoration of ICI's 23p dividend may have to wait until 1983. At present, the yield is about 8½ per cent.

**Marks' formula**

Against a background of sluggish retail demand in the year to March, Marks and Spencer pushed up UK volume by 11 per cent, raising its pre-tax profits by more than a fifth to £221m. The figures might have



been designed by marketing men with an eye on the stock market, aiming to offer just the optimum mixture of solidity and growth. Certainly, Marks' has outperformed the market triumphantly since turning in a surprisingly weak result for the first half of 1980.

Whereas the first half of 1981 was flattered by that comparison, growth actually accelerated in the remainder of the year, when profits rose by 21 per cent—even though the same period a year before had shown an improvement of 17 per cent.

Marks was able to achieve a slight broadening of gross margins, while keeping costs under tight control. More remarkably, it has also gained a lot of extra volume—perhaps 8 per cent over the year in clothing and more than 10 per cent in food, with the greater part of the increase coming in the second half. Suppliers are reported in many cases to be back at full capacity, and taking on extra labour.

It seems more than likely that Marks will be able to sustain the trend, even though its "recovery" phase has come to an end. There are several indications that the business is being reshaped.

New products such as home-wear, footwear and toiletries are attaining significant sales, and the fastest growth last year was in these categories, where volume rose by some 22 per cent. These are products which Marks is substituting for clothes in its smaller secondary sites, at a time when an aggressive store expansion programme is making available better outlets for the staple clothing ranges.

With more promising news from France and Canada—each earning about a third more in 1981—profits of about £250m could well be on the stocks for this year.

## Four little words

### NEW YORK RICHARD LAMBERT

**THE KEY** moment on Wall Street this week came late on Wednesday afternoon, when the ticker flashed over a four word message: "Budget talks fall apart." That effectively put the lid on a rally in security prices which was already running out of steam.

A week ago, the mood was still decidedly bullish. The Dow Jones industrial had picked up almost 85 points in less than two months and the volume of trading activity was climbing fast. One commentator spoke of signs of a "buying panic" among the big investing institutions. Another came up with the thought that this was the first time since 1973 that the market had risen for six consecutive weeks.

Maybe that was in itself enough to suggest that a period of consolidation was in order. At any rate share prices only edged higher on Monday after initial weakness, and on Tuesday they started to slide. Investors were talking with increasing unease about the Falkland Islands crisis, which is receiving blanket coverage in the American press, and they were also beginning to reel a little under the continuing barrage of bad company results.

The oil sector was active and weak—among the big names, Standard Oil of California reported a two-thirds decline in first quarter earnings, while Mobil was down by almost a half. Xerox also slipped on its report of a 20 per cent fall in earnings per share, while one of the biggest losers was John Deere, the farm machinery manufacturer, which warned of a sharp drop in profits during the second half of this year. If a company as fearfully competitive as Deere is in heavy water, think what must be happening to weaker businesses like International Harvester.

Then came the Budget news, followed on Thursday night by a sombre television address from the President. He confirmed the numbers that the market had been working on for some weeks: in the absence of any deal with the Democrats, the U.S. is heading for a budget deficit of \$182bn in 1983 which will climb to \$233bn by 1985 if nothing is done to reduce Government spending. That, Mr

Reagan said, would inevitably bring higher interest rates. The stage is now set for a bitter and protracted period of political manoeuvring, as the Senate budget committee starts the tricky job of grafting its own budget for 1983. The two political parties seek to avoid blame both for the economic stalemate and the spending cuts that will surely have to come at some stage.

The general view on Wall Street seems to be that the budget deficit will not be allowed to reach such awesome figures next year—but that it will not be cut to a level that would permit a worthwhile fall in interest rates. So there will be little room for any strong economic recovery over the next 18 months.

As if to rub home the point, yesterday morning brought news of another drop in the Commerce Department's composite index of leading indicators. So all things considered, the securities markets really didn't do too badly this week. In the money markets, rates edged higher—but there were the technical factors at play, draining reserves from the banking system and pushing up the federal funds rate. And there was not much action in the long term bond market, despite the fact that Wednesday also brought news of the Treasury's quarterly refinancing package, which if anything was slightly heavier than the market had been expecting.

With high-grade long-term bonds yielding 13 to 16 per cent, it remains much easier to make a case for investing in fixed interest stocks. Such a policy certainly paid off in the first quarter of the year, as shown in a recent analysis by Salomon Brothers. Preferred stocks and long-term municipal bonds—two long time under-achievers—were the top performers in the securities market, producing total returns of 7.7 and 7 per cent respectively.

Common stocks as a group were by far the worst performers in the period, showing a total return of minus 5.5 per cent. Within that, interest-sensitive stocks like utilities and finance companies more or less held their own, but the industrial and transportation sectors were big losers.

Monday	365.58	+3.42
Tuesday	357.50	-8.08
Wednesday	352.64	-4.86
Thursday	344.94	-7.70

### MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1982	1982	
	Y'day	on week	High	Low	
F.T. Ind. Ord. Index	575.1	+8.0	582.0	518.1	Undertone holds firm
F.T. Gold Mines Index	248.0	-12.1	302.0	209.2	With bullish price
Anderson Strathclyde	126	+19	126	89	Bid hopes
BAT Industries	450	+37	445	343	Annual profits up 43 per cent
Candeca	215	+15	222	150	Humbly Grove drilling report
Continental Microwave	325	+65*	325	293	Successful USM debut
Jarvis (J)	331	+29	343	210	Dawn raid
McLeod Russel	287	-31	378	285	Boardroom changes
NCC Energy	351	-20	112	35	Awaiting clarification
Plessey	395xd	+21†	397	345	Press comment
Rank Org.	161	-17	200	161	Xerox quarterly fig. disappoint
Rothmans Int.	89	+6	89	73	Bid rumours
Simon Eng.	393	+30	416	353	Good results
Smith (W. H.) A	186	+9	192	148	Preliminary results
Tarmac	538	+48	540	398	Excellent results/100% scrip
Tilbury Group	440	+38	440	290	Press comment
Tomasin Distillers	60	+11	64	42	Speculative support
Tozer Kemsley	67xd	-9†	82	64	Reduced profits and dividend
Welbeck	45xd	+11	45	26	Bid approach
Whatman, Reeve Angel	295xd	+53	298	198	Good results

\* Based on placing price of 260p. † Price at 298.

## Why it won't be a repeat performance

AN UNCANNY FEELING stole over me as I glanced through the comments on the outlook in the latest annual report from the Rio Tinto-Zinc group.

Statements such as "higher costs have forced further closures" and "all base metal mines have suffered intense cost pressures," seemed horribly familiar, and I began to wonder whether I had picked up the 1980 report by mistake.

The feeling intensified as I read on. "Any modest revival of demand, or any improvement in business confidence, should fairly swiftly affect metal markets, and the group's low cost mines would benefit accordingly," the report went on.

Surely this was very much in line with what had been said by many mining companies at the same stage of last year? The report had the grace to admit it: "In some respects, the economic forecasts of early 1982 are similar to those made a year ago."

All this prompted the question of whether we could be in for a repeat of 1981's terrible performance—a thought too awful to contemplate.

RTZ does not think this is the case. "There is reason to believe last year's dismal pattern will not be repeated," the report said.

The report does temper this by pointing out that experience shows it is far too early to make any firm predictions for the year as a whole, when the immediate future is so shrouded in uncertainty, and the whole tone of the chairman's statement could be no stretch of the imagination be described as bullish.

However, RTZ believes there are grounds for some degree of cautious optimism. This is founded on the number of recent reports of production cuts in many base metals, and the low levels of stocks in the warehouses of both consumers and producers.

The group feels that a reasonable balance should come about and demand should be at some time this year for most base metals, and in the case of copper, recent production cuts

may even bring about a shortage of supply.

This would be good news for RTZ, whose base metal interests, especially the Australian operations held through CRA, were largely responsible for the one-third fall in 1981 attributable profits.

The effects of the generally poor showing by the base metal divisions in the group were offset to some extent by an excellent year at RTZ Borax, particularly in the U.S.

Profits here increased by 50 per cent, but RTZ warns that it is not looking for a repeat performance this year, partly

because around half of the increase arose out of the weakening of sterling in terms of the U.S. dollar, which may well not recur in 1982. Nevertheless, Borax should continue to do well.

The South African copper producer Palabora is another relatively bright feature on RTZ's horizon. This operation remained in profit last year, and the maintenance of the first interim dividend for 1982 at 10 cents (5.4p) could be interpreted as an indication that it has probably not yet joined the bulk of the world's copper producers, which are currently operating at a loss.

The world leader in the diamond business, South Africa's De Beers Consolidated Mines, is another major mining group which does not foresee a repeat of 1981's dismal performance.

Last year saw attributable profits fall by 23 per cent to R628.3m (£338m), a halving of the final dividend which left the year's total down from 75 cents to 50 cents, and a doubling in the posted value of diamond stocks to an unprecedented R1.4bn.

Mr Harry Oppenheimer said in his chairman's statement with this week's annual report that "the special reasons which existed for the recession in the diamond industry are a fair way to being overcome."

"Our problems are no longer specific to the industry, but are worldwide in nature," he continued. The group is "well equipped to see through what may yet remain to be faced of this time of depression, and to take full advantage of better economic conditions when they return."

The recession in the diamond business started sooner and is perhaps deeper than the world economic recession as a whole, largely as a consequence of speculation in the cutting centres, Mr Oppenheimer said. He deduced that this speculation was now over, as it was

largely financed by bank credits which have been substantially reduced, in some of the leading cutting centres by as much as 50 per cent.

De Beers' policy of withholding stones from the market at times of weak demand is the main reason behind the fall in the level of bank credit to the centres, Mr Oppenheimer said.

The size of the stockpile of uncut stones held by De Beers' Central Selling Organisation (CSO) may worry some, but it must never be forgotten that this body was set up in the 1930s by Sir Ernest Oppenheimer, father of the present chairman, precisely for the purpose of building up stocks when demand is low.

As soon as sales show signs of picking up, these stocks are gradually fed through onto the market to meet the rising demand, and De Beers stands

ready to make a lot of money out of its stockpile when this occurs.

The group has taken other steps to stabilise the world diamond market, of which it controls around four-fifths.

Although production rose last year to 15.4m carats from 14.7m carats in 1980, as part of a long-range programme aimed at boosting the output of the group's mines to an eventual 19m carats a year, there have been some setbacks.

These are now starting to take effect, and this year's output, excluding the new Jwanetsi mine in Botswana, is expected to fall to around 15.8m carats.

Beyond that, the CSO has made what Mr Oppenheimer described as important modifications in the manner of presentation of diamonds to the market.

More determined attempts are now made to match supplies of

### TIN OUTPUTS COMPARED

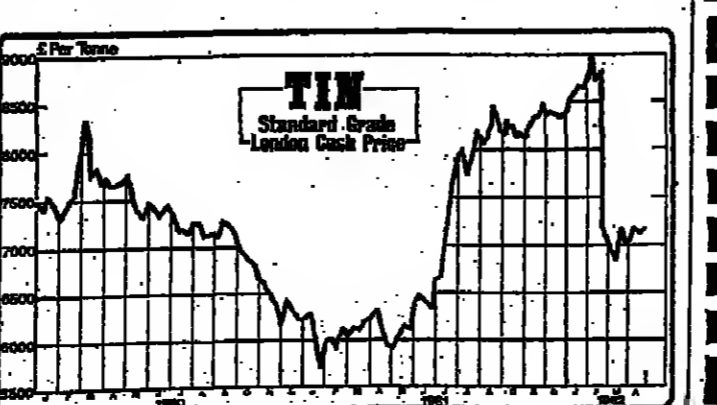
	March 1982	Feb 1982	Total 1982 (months)	Total period to date	Same period previous year
	tonnes	tonnes	tonnes	tonnes	tonnes
Amal. of Nigeria (tin)	140	121	1,668	(12)	1,682
Amal. of Nigeria (columbite)	1	1	90	(10)	189
Aokam	119	71	1,000	(9)	909
Ayer Hitam	112	115	1,321	(9)	1,036
Berjantai	280	264	3,253	(11)	3,612
CRM Sri Timah	33	69†	1,561	(3)	271
Geevort	133	108	1,289	(12)	1,252
Gold and Base (tin)	17	16	49	(3)	51
Gopeng	165†	150	899†	(6)	777†
Kamunting	17	16	176	(12)	63
Kinta Kellas	40	40	461†	(12)	396†
Malayan	756	687	6,330	(9)	4,710
Pahang	92	90	728	(8)	861
Petalang	79	67	449	(5)	710
Rahman	86†	91†	953†	(9)	936†
St Piran—Far East	15	15	188	(12)	145
St Piran—UK (South Crofty)	246	159	1,970	(12)	2,084
St Piran—Thailand	57	36	689	(12)	669
Sungei Best	92	84	918	(12)	1,368
Tanjong	91	9	311	(3)	331
Tongkah Harbour	53	47	327	(9)	314
Tronoh	52	22	130	(3)	400

† Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.

### UNIT TRUST AND INSURANCE OFFERS

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HK Unit Trust Managers Ltd.  
Tyndall & Co.  
Royal Life (Unit Linked Assurances) Ltd.



### SHARES

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Address \_\_\_\_\_

### Tyndall & Co.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 13.5.82 are fixed for the terms shown:

Terms (years)	3	4	5	6	7	8	9	10
Interest %	13½	13½	13½	13½	13½	13½	13½	13½

Deposits to and further information from the Treasurer, Finance for Industry plc, 10 Waterloo Road, London SE1 6TE (Tel: 01-238 7822 Ext. 367). Cheques payable to Bank of England, acc. FTI.

Finance for Industry plc

## Today's Rates 13½% - 13½%

A copy of this prospectus and copies of the documents specified herein have been filed with the Registrar of Companies in London.

The consent of the Finance and Economics Committee of the States of Jersey under the Control of Borrowing (Jersey) Order, 1958 (as amended) has been obtained to the issue of shares in the Fund described in this Prospectus. It must be distinctly understood that in giving this consent the Committee takes no responsibility for the financial soundness of the scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statements herein whether of fact or opinion. All the Directors accept responsibility accordingly.

Stock Exchange listing: The Directors also may decide to apply for registration of the Fund in certain jurisdictions and an application may require consequential changes to the Articles of Association of the Fund which can be made only with the approval of shareholders.

# Save & Prosper Multicurrency Reserve Fund Limited

## PROSPECTUS 28th APRIL 1982

Save & Prosper (Jersey) Limited on behalf of the Fund offers for subscription 49,990,000 shares at the following prices:—

Class of shares:	US dollar	Sterling	Deutschmark	Yen
Price per share:	US\$1	£1	DM10	Yen1,000

**The Fund**  
Save & Prosper Multicurrency Reserve Fund Limited, PO Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands.

**Managers**  
Save & Prosper Management (Jersey) Limited, PO Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands.

**Investment Adviser, Administrator, Registrar & Secretary**  
Save & Prosper (Jersey) Limited, PO Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands.  
Telex: 4192226 SAVPRO G Tel: Jersey (0534) 739933.

**Custodian**  
National Westminster Jersey Trust Company Limited, PO Box 6, 23-25 Broad Street, St. Helier, Jersey, Channel Islands.

**Legal Adviser**  
Ogier & Le Cornu, Royal Court Chambers, 10 Hill Street, St. Helier, Jersey, Channel Islands.

**Auditors**  
Coopers & Lybrand (Chartered Accountants), La Motte Chambers, La Motte Street, St. Helier, Jersey, Channel Islands.

**Directors of the Fund**  
Cholmeley Joseph Messer (Chairman),  
4 Great St. Helens,  
London EC3P 3EP, UK.

(Chairman, Save & Prosper Group Limited),  
Jurat Peter Giray Blampied, FCA, St. Clair, Pontac, St. Clement,  
Jersey, Channel Islands. (Chartered Accountant).

John Douglas Campbell, Reid House, Church Street,  
Hamilton 5, Bermuda.  
(Partner, Appleby, Sprung & Kempe, Barristers & Attorneys).

David Henry Maitland, FCA, 4 Great St. Helens,  
London EC3P 3EP, UK.  
(Director, Save & Prosper Group Limited).

William Norman Kimball,  
29 Broad Street, St. Helier, Jersey, Channel Islands.  
(Partner, Le Masurier, James & Chim, Stockbrokers).

John Richard Talbot, PO Box 1735, Front Street, Hamilton 5,  
Bermuda. (Manager—Trust, The Bank of Butterfield Executor &  
Trustee Company Limited).

## Save & Prosper Multicurrency Reserve Fund Limited

The Fund provides a simple and efficient vehicle for investing in a range of currencies, with the following important benefits:

\* **higher income**—investors can benefit from 'wholesale' money-market interest rates, which are usually higher than those available to the private individual, without committing money for a fixed term. This is illustrated by the table below which compares the rates of interest obtainable on a seven-day notice bank deposit with estimated yields available on a shareholding in Multicurrency Reserve Fund on 7th April 1982 (as though the Fund had been available at that date):

Currency	Bank deposit account	Multicurrency Reserve Fund
US dollar	12 3/4%	13 1/4%
Sterling	10 1/4%	11 1/4%
Deutschmark	6 1/2%	7 1/2%
Yen	2 1/2%	6 1/4%

Source: National Westminster Bank PLC

\* **capital security**—constant share price; Paragraph D.  
\* **flexibility between currencies**—investors can take advantage of the relative movements between currencies with ease and at low cost; Paragraph K.

\* **no initial charge**—there is normally only one price for allotment and redemption of shares; Paragraphs Q & R.  
\* **rapid access to your investment**—there is no penalty on withdrawal; Paragraph L.  
\* **quarterly income facility**—dividends are paid daily and reinvested in additional shares; investors may request quarterly automatic redemptions of shares to provide a regular income; Paragraph N.  
\* **on-line enquiry facilities**—up-to-date details of individual shareholdings are available by telephone or telex; Paragraph J.  
\* **ease of accounting**—statements are issued quarterly; Paragraph J.  
\* **low initial investment.** Paragraph H.

These benefits make the Fund suitable for a wide number of uses for private and corporate investors, for example to:  
\* obtain high rates of return relative to normal individual deposit rates;  
\* hold foreign currency-denominated shares whilst awaiting investment elsewhere;  
\* build up funds to meet future payments in different currencies;  
\* make capital gains through their management of different currencies.

The Fund was incorporated in Jersey on 20th April 1982 with limited liability under the provisions of the Companies (Jersey) Laws 1861 to 1968. It operates on similar principles to a unit trust or mutual fund and therefore can issue and redeem its own shares.

49,990,000 Participating Redeemable Preference Shares (referred to hereinafter, other than in General Information, as "shares") of 1 cent each of the following classes are now offered at the following prices:

Class of shares	Price per share
US dollar	US\$1
Sterling	£1
Deutschmark	DM 10
Yen	Yen 1,000

The Subscription Lists will open in Jersey at 9 am on 6th May 1982, when the first allotment of shares will be made.

Applications for shares should be made to:  
**Save & Prosper (Jersey) Limited,**  
PO Box 73, Dolphin House,  
Colombarie,  
St. Helier,  
Jersey,  
Channel Islands.

### A. The Managers of the Fund

The Fund is managed by Save & Prosper Management (Jersey) Limited, a wholly-owned subsidiary company of Save & Prosper Group Limited, London. Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is also a major force in life assurance, pensions and annuities. As at 31st January 1982 the Group managed £1,110 million. Further information concerning the Managers is given under General Information.

### B. Custodian

National Westminster Jersey Trust Company Limited—a member of the National Westminster Bank Group, one of the largest banking groups in the world—has been appointed Custodian of the securities and cash in the Fund.

### C. Form and classes of shares

The shares being offered in the Fund are Participating Redeemable Preference Shares, currently available in registered form only. The shares are divided into classes according to the currency in which they are denominated. A separate fund ("currency fund") will be maintained for each class of shares. All such shares of the same class have equal rights and privileges and are entitled to an equal share of the relevant currency fund on liquidation. Any fraction of a share may be held or transferred subject to the conditions laid down in the Articles.

In addition to the four classes of shares initially on offer further classes of shares (denominated in other currencies) may be issued at some future date.

### D. Investment objective and policy

The investment objective of the Fund is to provide capital security in currency terms whilst earning the highest possible levels of gross income.

The Fund is intended for individuals and institutions who require a convenient way of investing in one currency, or a range of different currencies, to take advantage of short-term interest rates in international markets.

Each currency fund will have its own portfolio denominated in the respective currency, so that within each currency fund there will be no currency risk. The Managers expect that a substantial proportion of each of the Fund's portfolios will be in deposits, but may also be in money market instruments, including certificates of deposit, government, bank and trade bills, and short-term bonds, on which interest can be collected without deduction of any tax. The Managers expect normally to limit the maximum average term of underlying investments to 120 days although initially they expect the average term to be much shorter.

The price of the shares of any one class normally remains constant for the purpose of both allotments and redemptions. However in the event of unforeseen circumstances beyond the Managers' control the price of shares could rise or fall.

### E. Dividend policy

A dividend rate for each class of shares is normally declared daily when each currency fund is valued. The dividend is paid and then reinvested in new shares of the same class for the benefit of all holders of shares of the relevant class on the share register at the end of the previous subscription day. The dividend represents income net of expenses accrued to the Fund during the relevant subscription day.

### F. Investment and borrowing restrictions

The Articles of Association of the Fund contain certain investment and borrowing restrictions, the relevant provisions of which are set out in paragraphs 12 & 13.

### G. Eligible investors

Anyone aged 21 and over may buy shares in the Fund, provided he is of the nationality of citizenship, residence and domicile permitted to do so. Shares may not be purchased by residents of the United States of America but applications will be accepted from US citizens who are not so resident.

### H. Applications for shares

An investor normally may purchase shares on any business day in Jersey. Applications received before 11 am Jersey time will be dealt with on that day; applications received after 11 am Jersey time will be held over until the next Jersey business day. The minimum allotment of each class of shares in the Fund is as follows:—

Class of shares	Initial investment	Subsequent investment
US dollar	US\$2,000	US\$500
Sterling	£1,000	£250
Deutschmark	DM 5,000	DM 1,250
Yen	¥500,000	¥125,000

An investment may be made either by telegraphic transfer, by banker's draft, or by cheque.

(i) **By banker's draft or cheque**  
Completed application forms for the purchase of shares should be sent to the Administrator of the Fund, Save & Prosper (Jersey) Limited, PO Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands, together with a banker's draft or cheque in the appropriate currency and drawn on a bank in the financial centre of the relevant currency (i.e. New York for US dollar drafts, London for sterling, Frankfurt for deutschmarks and Tokyo for yen) made payable to Save & Prosper (Jersey) Limited. Where applications are received before 11 am Jersey time shares normally will be allocated to the investor's account four business days after the application has been received. No redemption of the shares, however, will be allowed for twenty-eight days from the date of allotment of the shares.

(ii) **Other types of cheque**  
Other types of cheque are acceptable, but will require a longer period before the shares can be allocated, because of the longer time required to obtain cleared funds.

(iii) **Telegraphic transfer**  
If the prospective investor does not already have a Multicurrency Reserve Fund account with Save & Prosper (Jersey) Limited, before making his first investment, he must either forward a completed application to Save & Prosper (Jersey) Limited, PO Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands (which must be acknowledged), or telex Save & Prosper (Jersey) Limited, Telex 4192226 SAVPRO G, to request an account number. When telefaxing it is important to give full name and address and a telex number to which advice of the account number can be telefaxed by Save & Prosper (Jersey) Limited.

If a prospective investor has a Multicurrency Reserve Fund account number with Save & Prosper (Jersey) Limited he should instruct his bank to telegraphic transfer the appropriate amount to—

### National Westminster Bank PLC

Library Place Branch, Jersey,  
(Telex 1492187 NWBLB)  
giving the following information:  
a/c Save & Prosper (Jersey) Limited  
a/c number

140-047233738 for US dollar sums  
65577373 for sterling sums  
190-047233188 for deutschmark sums  
345-047233218 for yen sums

Investor's Account Name  
Investor's Account Number with  
Save & Prosper (Jersey) Limited

Where cleared funds are received before 11 am Jersey time on any business day in Jersey shares will be allocated on that date. Where cleared funds are received after 11 am shares will be allocated on the following business day in Jersey.

For an initial investment the investor must send a completed application form to Save & Prosper (Jersey) Limited. No redemption will be allowed until a completed application form has been received by the Administrator of the Fund.

Payment may be in one currency for investment in a class of shares denominated in a different currency. In this case shares normally will be allocated to the client two business days after the original cleared funds are available in line with foreign exchange dealing practice, in order to allow for the acquisition of currency for investment.

### J. Statements

Share certificates will not normally be issued unless specifically requested. However a full statement will be issued following every allotment (other than an allotment resulting from a dividend), conversion or redemption of shares. A full statement will also be sent quarterly. Shareholders may request up-to-date details of their shareholdings, by telephone or telex, from the Administrator of the Fund.

### K. Conversion of shares

A shareholder has the right to convert all or part of his holding of shares of one class to shares of any other class then being offered by the Fund, subject to the provisions set out in paragraph 9.

When a request to convert shares is received before 11 am Jersey time on a Jersey business day the shares will be converted at the exchange rate ruling on that day. In line with foreign exchange dealing practice, the conversion of the shares will be effected two business days after the exchange rate is determined and, where this is for a total holding, will be for an amount to include the shares allotted in respect of the dividends declared between the request being received and the conversion of the shares. This means that there is no loss of dividend payments.

Shareholders will be allowed one conversion for each of the Fund's financial quarters without charge. For subsequent conversions in any one quarter an administrative charge will be made. The charge will be deducted from the proceeds of the shares of the original class, currently at the following rates: US\$10, 25, DM25, £2,500. Shares in respect of which a certificate has been issued may not be converted until the Administrator of the Fund has received the relevant renounce certificate. A new certificate will be issued for all of the new shares issued and a balance certificate will be issued for any remaining shares of the original class.

The tax position for UK residents on conversion is explained in paragraph 5.

### L. Redemption of shares

Provided that a completed application form has been lodged with the Administrator of the Fund a shareholder normally may redeem all or part of his holding of shares on any business day in Jersey by telex, cable, telephone or mail. Redemption

instructions must include the amount of cash required, or number of shares to be redeemed, the account number and name.

If payment is required in the currency of the shares being redeemed and redemption instructions are received before 11 am Jersey time, proceeds normally will be forwarded on the following business day. Redemption instructions received after 11 am Jersey time will be processed on the next Jersey business day and proceeds normally will be despatched on the business day following that. The Managers reserve the right to make the redemption on any Subscription Day\* commencing not more than seven business days after the business day on which the request to redeem is received. Dividends will be paid up to and including the day of redemption.

If payment is required in a currency other than that of the class of shares being redeemed, the shares to be redeemed will be converted first to shares of the class of the currency required. Where the redemption instructions are received on any business day before 11 am Jersey time the proceeds of the redemption normally will be despatched during the next business day but two after that business day. The proceeds of a redemption may be requested in any currency in which shares are denominated at that time. This will include two days' dividends declared in respect of the class of shares to be redeemed and one day's dividend declared in respect of the class of shares denominated in the currency of the redemption proceeds. The Managers reserve the right to make the redemption on any Subscription Day\* commencing not more than seven business days after the business day on which the request to redeem is received in which dividends will be paid up to and including the day of redemption.

\*The Fund's Subscription Days run from 11 am on one business day in Jersey to 11 am on the next business day in Jersey.

### M. Payment of redemption proceeds

The proceeds of a redemption will normally be paid by cheque. US dollar redemptions and sterling redemptions will be drawn on a bank in the financial centre of the currency of the cheque. Sterling cheques will be drawn on National Westminster Bank PLC in Jersey. On the instructions of shareholders the proceeds of redemptions may be paid by telegraphic transfer.

The minimum amount being redeemed which normally may be sent by telegraphic transfer without a charge to the redeeming shareholder is as follows: US\$20,000, £10,000, DM50,000, ¥5,000,000. Telegraphic transfers for amounts of less than these minima will be at the expense of the shareholder (and subject to any minima imposed by the local bank). The Managers reserve the right to change any of these minima in the future.

When telex, cable or telephone redemption instructions are received, payment will be made either by cheque to the registered shareholder,

or to a bank organisation or other person(s) in accordance with written and signed instructions given by the shareholder(s) when shares were initially purchased or in a subsequent written and signed instruction. In the absence of any instructions to telegraphically transfer redemption proceeds, a cheque in favour of the shareholder(s) will be sent to the address shown on the register of shareholders.

Any instructions by mail should be signed by the registered shareholder(s) and the redemption proceeds will be paid as above or in accordance with any payment instructions given in the written and signed redemption instructions.

No redemption will be accepted until a completed application form for the initial investment

has been received. Proceeds for shares in respect of which a certificate has been issued may not be paid until the Administrator has received the relevant endorsed certificate(s). Where a partial redemption is effected and is met in part through redemption of certificated shares a balance certificate will be issued for the remaining total holding of the class concerned.

### N. Quarterly income

Shareholders may request quarterly withdrawals in respect of the shares of any currency class, which may be:

either a fixed sum;  
or a percentage of the value of the total holding of a class of shares at the end of the quarter;

or an amount equivalent to the total value of the shares allotted in respect of dividends declared during the relevant quarter or since the last conversion, whichever is the later.

Payments (in the currency of the relevant class of shares) will be made by cheque with a covering statement on, or as soon after as possible: 31st March, 30th June, 30th September and 31st December each year.

### P. Pricing of shares

The price at which shares are allotted and redeemed is based on the net asset value of the shares of the class concerned. The determination of the net asset values of the Fund and the calculation of the prices of shares in the Fund are described in paragraphs 5 and 6.

It is intended that the price for each class of share should be constant. In the event of unforeseen circumstances beyond the control of the Managers of the Fund the prices could rise or fall.

### Q. Temporary suspension of calculation of net asset values

The determination of the net asset values of the shares of any class in the Fund may, with the consent of the Custodian, be suspended during a period when trading on a relevant stock exchange, money or other market is restricted or other circumstances exist, as the result of which in the view of the Directors it is not reasonably practicable to dispose of or value any of the Fund's investments, calculate any dividend declared during a period of suspension or deal in shares of the relevant class. Notices at any suspension and its termination will be published in the Jersey Evening Post and the Financial Times, London.

In the event of a suspension of the determination of net asset values, a shareholder may withdraw his request for redemption provided such a withdrawal is received before the termination of the period of suspension. Where the request is not so withdrawn, the redemption normally will be made on the Subscription Day next following the day on which the suspension ends.

### R. Management and Fund charges

There is no initial charge. For their services as Managers, Save & Prosper Management (Jersey) Limited receive a monthly fee, which accrues daily, of 0.0625 per cent. (an annualised rate of 3/4 per cent.) of the net asset value of the Fund.

In addition, the Fund pays a quarterly Custodian fee, based on the net asset value of the Fund, the expenses of the Managers and Custodian, and the expenses and charges of the Administrator, Registrar and Secretary and the Directors and Auditors' fees. The Fund also bears all its other operational costs including the cost of shareholders' reports, offers of shares (including prospectuses and similar documents), postage, telephone and telex. All these expenses which are apportioned between the different currency funds are accrued daily and taken into account when calculating the daily dividend.

The preliminary expenses of the Fund (which include all expenses incurred in relation to the

formation of the Fund (including establishing the systems and procedures for its administration) and the initial offer of shares) will be paid initially by the Managers who will be reimbursed by the Fund over up to ten financial years.

Details of the preliminary expenses and the fees payable to the Custodian and the Administrator, Registrar and Secretary are given in paragraph 16. During the first five financial years the Managers will reimburse the Fund to the extent that expenses (excluding Jersey Corporation Tax), after payment of the Management fee, exceed 0.5 per cent. per annum of the Fund's net asset value. The amount of reimbursement will be limited to the Management fee payable to the Managers.

### S. Taxation

Although the Fund is a Jersey Corporation, it is resident and controlled outside Jersey for taxation purposes.

The Comptroller of Income Tax in Jersey has confirmed that income of the Fund arising outside Jersey and deposit interest receivable in Jersey are exempt from Jersey income tax. The Fund's liability to Jersey taxation therefore is limited to Corporation Tax, currently £300 per annum. Dividends are declared without any deduction of tax at source to shareholders resident outside Jersey. Jersey residents will be paid their dividends net of Jersey tax (currently 20 per cent) and this tax will be paid to the proper officer for the receipt of taxes.

Jersey does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties. No stamp duty is levied in Jersey on the issue, transfer or redemption of shares in the Fund.

Holders of shares who are resident or ordinarily resident in the United Kingdom for tax purposes will, depending on their individual circumstances, be liable in United Kingdom income tax or corporation tax in respect of dividends of the Fund. Holders (other than those holding shares as dealing stock who are subject to different rules), who are resident or ordinarily resident in the United Kingdom, will, unless exempt, be liable to United Kingdom tax in respect of gains, resulting from currency movements, when disposing of or redeeming shares.

The Managers have been advised that conversions of a total holding in one class of shares into another class should not constitute an acquisition or disposal for UK tax purposes. Partial conversions however may give rise to a UK tax liability.

The foregoing is based on the Managers' understanding of the law and practice currently in force in Jersey and the United Kingdom and is subject to changes therein. Investors, however, should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling shares in the Fund under the laws of their country of citizenship, residence or domicile.

### T. Meetings and reports

The General Meetings of Shareholders in the Fund normally will be held in Jersey. Notices of such meetings (specifying the date, place and agenda) will be posted to shareholders at their addresses shown in the register of shareholders at least 14 days prior to the dates of the meetings.

The Annual General Meetings of Shareholders will be held not later than six months after the end of the Fund's financial year at which will be considered the annual audited accounts of the Fund made up to 31st March, the first financial period of the Fund ending 31st March 1983. Annual Reports (including such accounts) will be sent to registered shareholders of the Fund at their addresses in the register at least 14 days before the Annual General Meeting.

### U. Publication of prices

The current annualised yield for each class of shares in the Fund is published daily in the Jersey Evening Post and the Financial Times, London.









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# PROPERTY

## An eye on estate agents

BY JUNE FIELD

WHEN YOU desperately want to sell your home do you ask those who work for your local estate agents, property shop or computer service if they are qualified? And if so, what as - surveyor, valuer or super salesperson?

My guess is that, sadly perhaps, for the average member of the public, the actual disposal of a property in the swiftest possible manner at the best possible price, is usually the major consideration in these difficult times. And much the same applies to those looking for a home. It has always been a hard job to convince people that they could do any better if they went to a qualified agent.

Results are what most buyers and sellers look for, and anyway, the Estate Agents Act, 1979 which comes into force on Monday, does not lay down any specific academic, sales or professional qualifications for those engaged in estate agency work. Nor does it require anyone to be licensed. The underlying philosophy is that "entry into estate agency should be reasonably free to honest people of adequate competence," but what it does do is to place estate agents under the control of the Director General of Fair Trading, who can issue warnings and bans on those who fail to comply with the Act or who engage in practices considered undesirable by the Secretary of State for Trade.

The National Association of Estate Agents which has from the start positively supported the new Act, sees it as primarily a public protection measure, and as such long overdue says

secretary Mr A. B. Clarke. He also points out that "estate agents offer a valuable social service, which is too often misunderstood."

For an informative commentary on the whole workings, there is the second edition of *The Estate Agents Act, 1979*, by J. R. Murdoch, £7.80, from Mr George Kirtton, The Estates Gazette, 151, Wardour Street, London W1. Mr Murdoch, a lecturer in law at Reading University, is also concerned about the profession's apparent lack of general interest, and warns that the Act creates a number of new obligations which relate closely to the day-to-day running of an estate agency practice.

The main areas directly affecting the public are the stringent rules relating to the handling of clients' money. In particular, deposits paid in connection with house purchase will, under certain circumstances, qualify for an interest payment, a welcome innovation in these days of high interest rates. This only applies to deposits over £500, and who receives the interest will depend on whether the agents are holding the money on behalf of the purchaser or the vendor, or as stakeholder by agreement with both parties. The Act also puts a legal obligation on an agent to agree with any property owner before accepting instructions to sell the house, the rate of commission to be paid, the circumstances under which it will be payable and any other liabilities to be incurred by the owner.

The Act's main measures may

well help to reduce the risk of misunderstanding and protect the public from unscrupulous agents, observes Mr Nigel Stephens, senior partner of Whiteheads, and member of the Estate Agency Committee of the Royal Institution of Chartered Surveyors. "But there are very few of these. Reputable agents are not really being asked to do anything that they are not doing already," he insists, and considers that the Act may almost be termed "negative" licensing. "For rather than issuing a licence to operate, it gives power to the Director General of Fair Trading to suspend an agent who does not observe regulations and while it lays down that people employed in estate agency should satisfy minimum standards of competence, no attempt has been made to define exactly what these are." He believes that the public has much more to lose as a result of incompetence than as a result of dishonesty.

The Incorporated Society of Valuers and Auctioneers welcomes the attempt to raise standards in estate agency, but is worried that the sections which deal with bonding arrangements for clients' money and that thereby question of minimum standards of professional competence, are not included.

They are holding an informal meeting on Tuesday with the Minister of State for Consumer Affairs, Dr Gerard Vaughan, when they are hoping to receive clarification on these points, says ISVA president Mr Neville Pearson, partner in Healey and Baker.



To attract sales from all sections of the market, Baintow Eves, with 32 offices in north and east London, Hertfordshire, Essex and Norfolk, have produced documents featuring character properties and new homes on certain areas giving brief employment, education, shop and transport details. Free from Judy Terry, Baintow Eves, 29 Springfield Road, Chelmsford, Essex. (0245 358700). Pictured is the 4-bedroom 17th century Tinkers Green Farm, in an acre 11 miles from Braintree, £75,000 including a small barn and summerhouse.

## Lounging in Lanzarote

IF YOU WANT to swim in the Atlantic in the winter, have reasonably consistent sunshine throughout the year, although laced with a certain amount of wind, then Lanzarote in the Canary Islands is well worth considering for a holiday or retirement home.

I have watched this unusual lunar-like island with its 300 plus volcanoes (not a very pretty place, it nevertheless has a certain persuasive charm), grow in stature during the last seven years or so. And although it has had its share of failed developments, it has managed to avoid the proliferation of high concrete blocks so common on the peninsula, as the locals call the Spanish mainland.

Guardian of the environment is the island's brilliant native son, artist and designer Sr Cesar Manrique. He keeps a watchful eye on any architectural plans for what he calls "this mineral rich island of frozen lava... volcanic baroque."

The first change I noticed after a two-year absence was the new Manrique-designed airport at Arrecife, now cool and eye-catching with its chalk-white and lime green decor; and lastly Costa Tegueste, a beautiful rambling estate along the water, which has been developing piecemeal over the last few years, although still somewhat spread, is beginning to take on the shape of a resort.

Mainly developed by ERT (Union Explosivos Rio Tinto), probably the largest private industrial group in Spain, who



Pueblo Marino on Costa Tegueste, Lanzarote in the Canary Islands. The smart two bedroom, two bathroom, two-storey units are from about £30,000. Details: Sir James Darymple-Hay, Whiteheads, 41, Carfax, Horsham, West Sussex. (0403 69185), and Christopher Peet, ERT Great Britain, Kingsley House, 8 Bream's Buildings, London, EC4 (01-404 4343).

have close associations with Rio Tinto Zinc, it includes the sophisticated five-star hotel Las Salinas-Sheraton (its exotic gardens and swimming pool also Manrique-designed), a nine-hole golf course, and various appealing apartment and villa developments, these include Los Molinos, where the last few units are from about £21,000, and the new Manrique-created Pueblo Marino, a central courtyard flower-filled courtyard. Smart duplex apartments are selling there from around £90,000. King Hussein of Jordan is building an imposing residence on the sea-front.

Useful to study before you go is *A Guide to Property Purchase in Spain*, produced by International Property Marketing, an offshoot of Lanzarote Villas, a long-established holiday company on the island, free from Mr Peter Rogers, director, International Property Marketing, Lanzarote House, East Street, Horsham, Sussex. (0403 60153).

They are also promoting Las Casitas, Wimpey's Time-Ownership luxury bungalows by the beach behind the little harbour of the relatively unspoilt fishing village of Playa Blanca. Still holding the response to the initial marketing has been phenomenal. The studios and one- and two-bedroom units are from £800 for one week's ownership in perpetuity.

## RACING

BY DOMINIC WIGAN

ONLY ONCE in the near 300 years of the 2,000 Guineas' history (in 1930) has there been a bigger field for the classic than the one due to line up for today's renewal, and backers and commentators are having a difficult time sorting it all out.

Those who took advantage of the early ante post odds offered against such outstanding 2,000 Guineas prospects as Simply Great, Paradis Terrestre and Sandhurst Prince may not regret the outcome or a bet with total relief.

However, for those still considering an interest, Silver Hawk and Montekin are two whose claims are worth examining.

The first, who gained market position by default following Wind and Wuthering's complete annihilation in the Greenham, put up a good if not startling performance in landing the Craven Stakes a few days earlier. Always travelling well Silver Hawk had matters well in hand running down into the Dip and won a little more easily than the one and a half lengths margin over Nionlargo might suggest.

Montekin, arguably the most improved two-year-old colt seen out last autumn, was another for whom the Greenham was something of a disaster. However, in view of the unusually ill-judged ride he suffered under Carson in the early stages when rushed to the outside of the field after waiting for a non-existent gap between Cain and Macmillan, his form there may

be best ignored.

Less forward than had been expected at Newbury, Montekin can improve on the example set by Stratospheric, who ran a sound race to finish sixth in the 1,000 Guineas after a listless display in Newbury's other trial the Fred Darling Stakes.

At odds of around 10-1, Montekin probably represents each way value than does Silver Hawk, the favourite set to jump off at around a quarter those odds. Of the four overseas runners Zino looks the pick despite the claims of Acheived.

**NEWMARKET**  
3.00 - Montekin\*\*  
3.15 - Mattabey  
4.05 - Prince Santiago\*\*\*

**HAYDOCK**  
1.30 - Noymayr  
2.00 - Record Answer  
2.30 - Belted Earl\*

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BY RUPERT CORNWELL

Introducing John Paul II by Peter Hebblethwaite, Fount (paperback), £1.50, 192 pages

Pope John Paul II: An Authorised Biography by Lord Longford, Michael Joseph, £8.95, 224 pages

Pope John Paul II: His Travels and Mission by Norman St John Stevas, Faber and Faber, £4.95, 159 pages

The Decline and Fall of the Roman Church by Malachi Martin, Secker and Warburg, £6.95, 298 pages

Pope John Paul II and the Catholic Restoration by Paul Johnson, Weidenfeld and Nicolson, £8.95, 216 pages

Inside the Vatican by George Bull, Hutchinson, £8.95, 293 pages

"The Populist Pope" is the subtitle on Peter Hebblethwaite's admirable volume on the forthcoming visit to Britain...

of Pope John Paul II, and that description explains as neatly as any the extraordinary interest aroused by the event...

well before. It inevitably enhanced by the almost successful attempt on his life in St Peter's Square a year ago.

exchange. "I am a Catholic priest," replied Kolbe. He is likely to be officially proclaimed a saint later this year...

encouraged by several of the other books whose authors are, without exception, Catholics themselves.

raising device not in everyone's taste; but one which, as Mr St John Stevas says, should avoid the organisational costs of the trip...

"Best Buy" from this collection, and not just on grounds of price. It is by his thoughtful study that the reader is drawn most closely into the (so far unresolved) issues of this papacy.



Pope John Paul II—in the end are the words Mr Hebblethwaite observes, seem to the Pope mere wetness and laxity, at a moment when total commitment is required?

Fiction

Sir Walter arises again

BY ISABEL QUIGLY

The Voyage of the Destiny by Robert Nye, Hamish Hamilton, £8.50, 367 pages

March to the Monteria by E. Traven, Allison and Busby, £6.95, 230 pages

Cuban Passage by Norman Lewis, Collins, £7.50, 250 pages

People at Play by Elizabeth Berridge, Heinemann, £6.95, 184 pages

Hot Water Man by Deborah Moggach, Cape, £6.95, 251 pages

case of a man humming in on his destiny, his was it. The Voyage of the Destiny (the pun is too obvious to make much of) is supposedly a notebook written for his surviving son Carew in the last months of his life.

inhabitants still as dispossessed. In his "Jungle" novels E. Traven dealt with life there under Diaz's rule in the early years of this century.

generated, then, sustained, the end is credible and ties the right knots. An English teenage boy is accused of killing his mother's Cuban lover...



Edward Garnett: guru of great novelists

Garnering Mr. Garnett's bag

BY ANTHONY CURTIS

Edward Garnett: A Life in Literature by George Jefferson, Jonathan Cape, £12.50, 330 pages

Williams-Ellis's studio to muster support for the Well of Louisa case, at which they were, both present, Virginia Woolf confided this view of Garnett to her diary:

In the summer of 1933 Jonathan Cape, who in those days was the head of the firm that still bears his name, received a manuscript entitled Dream of Fair to Muldiny Women.

True, I had imagined that the marriage to Constance was of those all-too-rare, perfect, literary unions of mind and body; he at one side of the sitting-room, perusing his pile of manuscripts, she at the other correcting the proofs of her latest Russian translation...

The Literary Adviser was Edward Garnett, subject of George Jefferson's biography, and the author he had just damned was Samuel Beckett. Ah well, you can't win them all!

Garnett was 65 when he wrote that report. He had been going strong in this particular job, which he more or less invented for himself, since the turn of the century with various publishers: first Fisher Unwin, then Duckworth, finally Cape.

of course not everyone liked Garnett. Virginia Woolf was among the dissenters. In 1923 there was a gathering in Clough

Warren, Cameron & Co. Ltd, Church House, Church Street, Godalming, Surrey, U.K.

Market man

BY CHRISTOPHER JOHNSON

Monetary Control in Britain by Tim Congdon, Macmillan, £15.00, 139 pages

Tim Congdon combines the virtues of a former journalist, an amateur scholar, and a practical market commentator. He has written the best, most readable and most up-to-date book on monetary control...

to two underlying themes. First, the inevitable tension between the Government, which has been trying to control inflation by monetary targets...

UK monetary control methods change so rapidly that any book on them is peculiarly vulnerable to pre-publication obsolescence. Luckily, very little of the author's analysis has been overtaken by events...

My main criticism is that Tim Congdon downgrades the importance which should be given, and has already been given by the present Government, to the exchange rate as an instrument of monetary control.

Most management failures result from, or are accentuated by, a failure to communicate somewhere along the line

-Jacques Maisonneuve, Chairman, IBM World Trade Corporation

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McAvoy Wreford & Associates CORPORATE COMMUNICATIONS CONSULTANTS

Grass roots

BY JACQUELINE SIMMS

Headbirths or The Germans Are Dying Out by Günter Grass, translated by Ralph Manheim, Secker and Warburg, £6.95, 136 pages

By Günter Grass out of a divided Germany: Harm and Dörte Peters, "a couple with many duplicates" and "with two opinions about everything."

it is today: ragged extras and nasty policemen in the capital-damaged countries of India, Thailand and Bali.

While he considers how best to deliver his "headbirths" shall they be cast as the lead roles in a film?—Grass himself travels to China in 1979 to lecture on his literary solution to the problem of the two Germanies...

Irritation at his flippant and almost self-cannibalistic style having eaten out way through The Flounder it is indigestible to find it on the menu again, subsides before an underlying mood that is more hounded and anxious than at first appears.

Aldiss lamps

BY RAY LARSEN

Helliconia Spring by Brian Aldiss, Jonathan Cape, £6.95, 361 pages

Brian Aldiss clearly regards this as one of his most ambitious novels, and tells us in the preface that the imaginary world of Helliconia should be seen as "a stage for the kind of drama in which we are embroiled in our century."

scaped into decades as the tribesmen became nomads, farmers and builders of cities.

A planet in a binary star-system, it moves from extreme cold to a hot heat as it revolves around its distant sun in a season of 2,592 years.

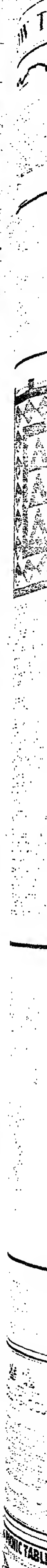
The danger of this panoramic approach is that the characters become buried under the weight of great events. Mr Aldiss manages to avoid this, but the pace does occasionally slacken...

BOOKS OF THE MONTH

Announcements below are prepaid advertisements. If you require entry in the forthcoming panels applications should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4A 3DF. Telephone 01-248 8000 Ext. 7064.

Table with 2 columns: Book Title and Price. Includes titles like 'Managing a management development institution', 'Deterrence and compensation: Legal liability in occupational safety and health', 'The 50-Year Boom-Bust Cycle', 'The 50-Year Boom-Bust Cycle', 'The 50-Year Boom-Bust Cycle'.

THE 50-YEAR BOOM-BUST CYCLE by J. P. Warren



# HOW TO SPEND IT

by Lucia van der Post

60—I have never addressed a letter to you before, nor indeed to any other editor, save once to the editor of the Financial Times Supplement, I hope, I believe, that you will accept as more than welcome the cooperation that I feel at the title of Lucia van der Post's column needs. It is appropriate to our time, vulgar and an attempt.

WELL, what do you think? The writer of this letter isn't the first person to express this view. Over the years it has been suggested many times that the title of the page could be improved upon but nobody, when challenged to think of something better, has been able to come up with a title that is anything like as comprehensive

or that hasn't already been coined by some other newspaper.

How To Spend It, as a title, has proved surprisingly durable and flexible. After all, none of us can avoid "spending it" altogether. Whether on essentials like mortgages, heating, food and clothing or on more discretionary things like holidays, jewellery, hobbies and just plain fun, "spending it" is part of most people's lives. What this page aims to do is to help people spend their hard-earned pounds more wisely, more carefully, more rewardingly, more pleasurably.

However, always interested in what our readers think, this week I would like to ask you to submit your own ideas for a new title for this page. If any reader comes up with one that we decide to use we will send him or her a magnum of champagne.



Suggestions, please, by Monday May 10, with supporting words if you feel like it, to: How To Spend It Competition, Financial Times, Bracken House, 10 Cannon Street, London, EC4.

# Fishing for compliments

BY JULIE HAMILTON

I HAVE been playing with fish—making terrines and pates, and using fish for stuffing and fillings, where one might expect to find meat. A lot of fun can be had and once you start, I am sure you will be tempted to go on experimenting.

Safeways Food Stores still have a very varied selection of fish but you do need to find out which days the deliveries are made, to be able to have the widest choice. I am not very enthusiastic about frozen fish with the exception of prawns, cockles and mussels. Cockles dipped in batter and fried (preferably deep) are delicious simply served with lemon. There is no reason why mussels cannot be treated this way either.

## Julie's fish terrine

serves 6

I have enjoyed experimenting with fish terrines and this is one of the best I came up with. 2 lb fresh haddock; 1 lb fresh salmon; 1 lb peeled prawns; 2 cloves garlic; a handful of parsley; 5 oz cream; juice of 1 lemon; 1 egg; 1 tin anchovies; salt and freshly ground black pepper.

Skin and bone the haddock, put it in a food processor or blender with the cream, garlic, lemon juice, parsley, salt and pepper and process very briefly so the ingredients are not completely liquified, but well combined. Skin and bone the salmon; break into small pieces. Butter a terrine, divide the haddock into five portions and place a layer of it on the bottom. On top of this add a layer of salmon, then haddock, then half the anchovies, then haddock, then all the prawns, haddock again and the rest of the salmon. Finally add the remaining haddock topped with the rest of the anchovies arranged in a lattice pattern. Cover with buttered paper and tin foil or a lid. Place in a roasting tin of water and bake in a preheated oven for two hours at gas mark 2 (300F). Allow to cool, then chill well for at least two hours.

## Prawn cannelloni

serves 6

When you think of cannelloni, I expect meat stuffing springs to mind, but this recipe uses prawns instead, and is ideal for a dinner party first course. 1 1/2 lbs peeled prawns; 12 oz



Clare Brooks

top. Bake in a preheated oven gas mark 5 (375F) until lightly golden and bubbling. Serve hot.

## Smoked haddock roll

serves 4

This dish uses smoked haddock or cod, whichever you prefer. It is an ideal snack or supper dish. 1 lb shortcrust pastry enriched with 1 egg; 1 lb smoked haddock or cod boned and flaked; 1 onion, finely chopped; 2 or 3 tablespoons parsley, finely chopped; 1 small red pepper, finely chopped; 2 oz butter. Roll the pastry out to a rectangle about 1/4 of an inch thick. Spread a layer of fish all over it, leaving the edges clear. Put a layer of onion on top of the fish and parsley on top of the onion. Cut the latter into small bits and place them evenly on top of the parsley. Season with a little pepper. Place the red pepper in one strip, across the front edge of the rectangle, so when it is rolled up it will be in the centre. Damp the edges and roll up to form a long sausage shape, and seal the ends well.

Place seam side down on a greased baking sheet, make a few diagonal cuts into the first layer of pastry and glaze the whole with egg yolk or milk. Bake in a preheated oven gas mark 4 (350F) for about 45 minutes or so. Serve either hot or cold, sliced like a Swiss roll, with salad.

## White wine and turbot soup

serves 4  
2 lbs turbot; 2 pints white wine; 2 pints water; 1 large onion; 4 oz parsnip; 4 bay leaves; 1 sprig of savory; 6 peppercorns; 1 egg yolk; 5 fl oz sour cream; 1 teaspoon flour; salt.

Prepare the fish by cutting into finger-size strips, rubbing it well with salt and putting aside in a pudding basin.

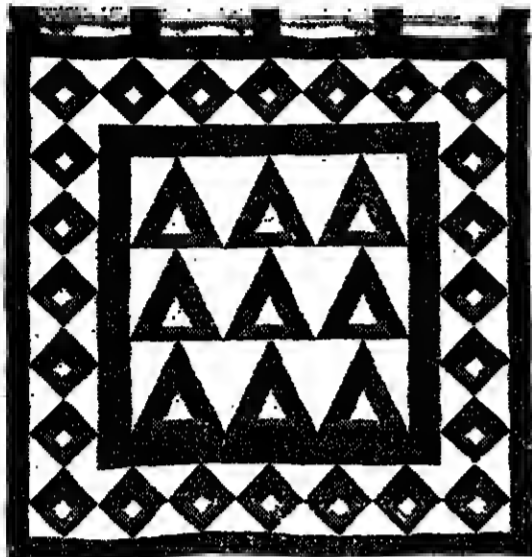
Slice the onion and parsnip thinly, and put them with the wine, water, savory, bay leaves and peppercorns in a saucepan and bring to the boil. Add a generous teaspoon of salt and simmer for half an hour. Put the fish in another saucepan and strain the hot stock over it. Cook very gently for barely 20 minutes.

Combine together the egg yolk, flour and sour cream, very slowly add two ladles of the fish soup and reheat for five minutes without boiling.

## Cream of fish soup

serves 4  
2 lbs of fish (cod, haddock or coley); 3 oz carrot grated; 3 oz parsnip grated; 1 large onion finely chopped; 2 bay leaves; 1 tablespoon salt; 4 pints water; 6 peppercorns; 1 tablespoon white wine vinegar; 2 oz flour; 2 oz lard; 5 fl oz sour cream.

Place the vegetables together with the salt, peppercorns and bay leaves in the water and boil gently for half an hour. Add the fish and cook for a further 10 minutes then pass it all through a sieve. Make a roux with the flour and lard and add the soup to it cooking gently for a further 20 minutes. Add the vinegar and sour cream just before serving.



"I've been a hard worker all my life, but most all my work has been the kind that 'perishes with the usin'" as the Bible says. That's the discouraging thing about a woman's work... if a woman was to see all the dishes that she had to wash before she died, piled up before her in one pile, she'd lie down and die right then and there. I've always had the name 'o' bein' a good housekeeper, but when I'm dead and gone there ain't anybody goin' to think o' the floors I've swept, and the tables I've scrubbed, and the old clothes I've patched, and the stockin's I've darned.

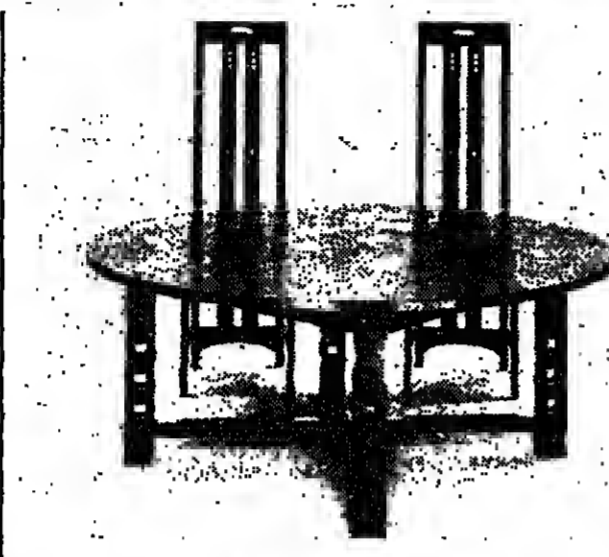
So wrote Aunt Jane of Keolucky somewhere around the turn of the century and I've never seen the charm that patchwork has for most of us so movingly captured. Aunt Jane's quotation is used to introduce a touring collection of quilting, patchwork and applique which opens at

The Minorities, 74 High Street, Colchester, Essex, on May 1 and then goes travelling to a few other venues round the country.

The exhibition has two main sections to it—one will show old quilts, both English and American, from the 19th- and 20th-century, when quilts were mainly devised from simple need and were still quite unconnected with self-expression and artistic outlets. The second main section shows the work of modern patchworkers and quilters, featuring those primarily made for commercial outlets, not just for family or friends. A few of the items will also be for sale.

There will be brochures and photographic displays all of which will help put patchwork into the lively context in which it belongs.

From May 1 until June 6 it will be in Colchester then it goes to the Sunderland Arts Centre, then Bradford, Guildford, Nottingham and Aberystwyth so interested readers who live in those areas might like to look out for its arrival.



THOUGH MOST of us think of Italians as being the supreme masters of exciting, innovative modern design it is a curious anomaly that one of Italy's leading furniture companies, Cassina, is most famous for its immaculate copies of the great designs of the past. Cassina has a collection it calls "I Maestri" under which banner it manufactures reproductions of the work of the Bauhaus, of Le Corbusier, Rietveld and Scotland's greatest furniture designer and architect, Charles Rennie Mackintosh.

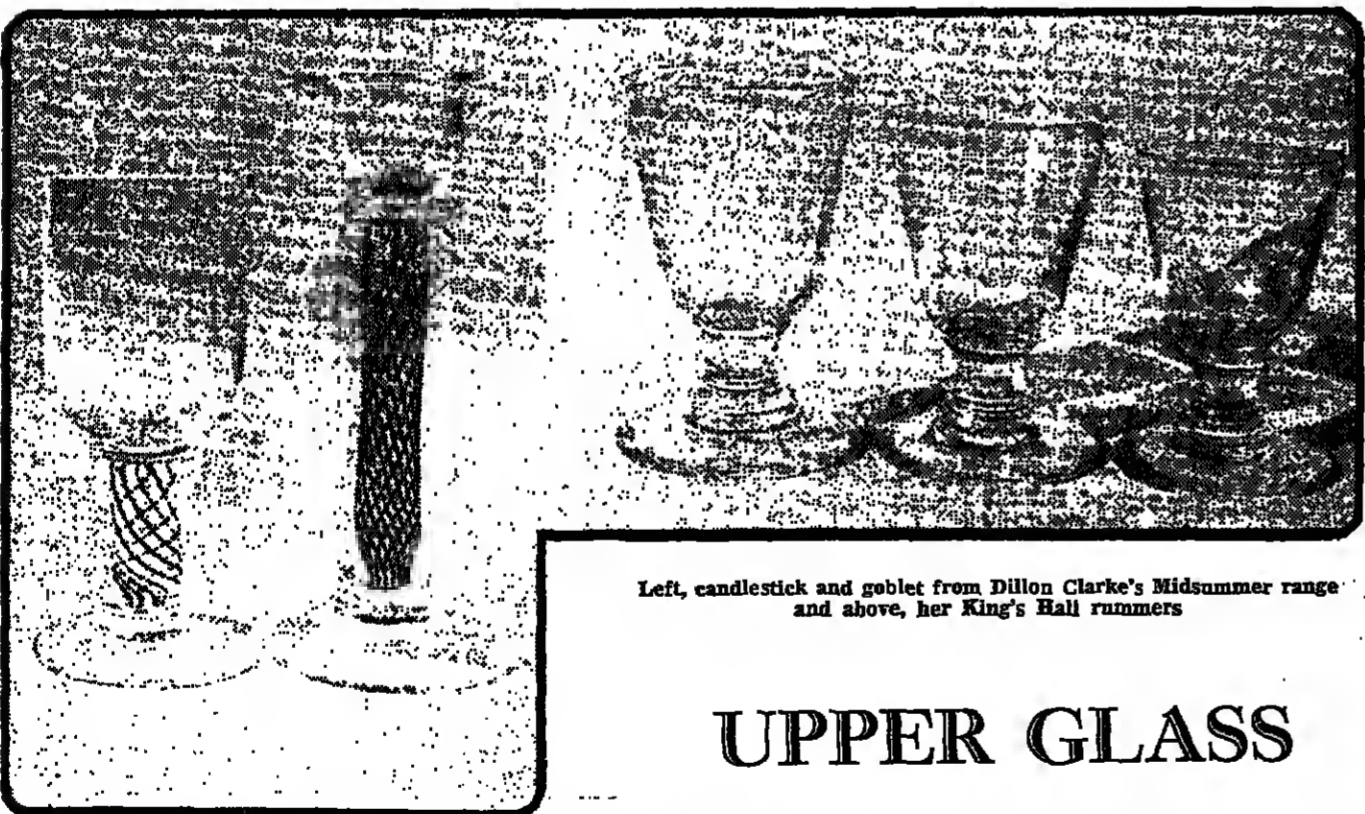
Mackintosh was one of those truly innovative designers who did his most eminent work in the decades on either side of the turn of the century. He had the sort of all-embracing concern for the total environment that led him to design not only buildings but every detail of the interiors, from light-fittings and fireplaces to the furniture that was to be used. I suppose his greatest achievement was that his work expressed an authentic Scottish feeling that still makes his designs unique. Though some Charles Rennie Mackintosh furniture has been on the market for a while Cassina has recently launched

two more of his designs—a fine circular table with a central revolving section which Mackintosh originally designed to go inside the Glasgow School of Art and the Ingram high chair (so called because it was originally built for the white dining room of Ingram Street Tea-rooms, where the Glasgowian middle classes used to conduct some of their social life at the turn of the century).

Anybody interested in Mackintosh and his unique approach to design should pay a visit to Oscar Woodlens at 421, Finchley Road, London, NW3, where they can see not only these two Mackintosh designs, reproduced as faithfully as modern technology allows, but also an exhibition of all his architectural drawings and his plans for interiors and furniture.

The circular table is ash stained wood, the top being veneered, the frame solid wood. It is £1,979.

The Ingram chair has either a high back (shown in the photograph) or a low one and is £426 for the high version, £357 for the low. Both have seats upholstered in a deep blue/black fabric.



Left, candlestick and goblet from Dillon Clarke's Midsummer range and above, her King's Hall rummers

## UPPER GLASS

ANYBODY who knows anything about hand-made glass in this country will have heard of Dillon Clarke. Her studio glass (this is craftsman language for pieces, usually of a very distinctive character, emanating from small glass workshops) is

in 14 museums all over the world, including the Corning Museum of Glass in New York, and some of her glass was in Pilkington's exhibition of modern glass at the V and A last summer.

Very often craftsmen working in small studios produce only one-off pieces. These are often lovely, have great aesthetic appeal but do not solve the problem of what to use for drinking one's daily plonk.

Dillon Clarke this week has started a new company which looks like bridging the two worlds—that is she is going to produce long ranges of glass which are entirely suitable for everyday use. All the ranges, however will be hand-made from beginning to end so that they will retain all the qualities that those who love hand-made glass look for. Hand-made glass is usually softer, rounder, looks and feels more weighty and has none of that give-away regality that is to be found in industrial glass—it is the appeal of the antique pub rummer.

Dillon Clarke's new studio and workshop is called Midsummer Glassmakers of Cambridge and is to be found at Auckland Road, Cambridge. It is very new indeed, having

risen from the ashes of an earlier venture which folded last December. Dillon Clarke had moved to Cambridge in 1981 when her husband was made a history fellow at St John's and with Christopher Irons she found a warehouse and invested £30,000 in converting and equipping it.

However it all grew too fast. There were nine employees which meant that the costs of wages and materials outstripped sales and she couldn't bang on long enough for sales to rise.

This time round Dillon Clarke is determined to succeed. The furnace has been rebuilt so that instead of consuming £13,500 worth of gas a year, it will consume between £7,000 and £8,000. They are employing four people and have applied for two YOP trainees. With a new manager and marketing director, Simon Wood, the venture is now off the ground.

For the moment she is concentrating on producing three ranges of glass and a selection can be seen and bought at Liberty of Regent Street, London W1, Aspreys at Penchance Street, EC3 and David Mellor, Sloane Square, London SW1. However, there is a shop on the premises at Auckland

Road, Cambridge, where all the glass (slight seconds as well as top quality) can be bought. In addition the shop will sell all the glass by mail order.

Kings Hall (illustrated above right) is a collection of functional glass—goblets, rummers and tankards. The rummers in the picture are sold in packs of three—£21 for three of the smallest size, £22.50 for three of the middle size and £24 for three of the largest size. The prices include postage and packing.

Then there is the Midsummer range, illustrated above left, which incorporates a colour-twisting in the stems of goblets and handles of jugs. It is a 15th-century technique, emanating from Venice, called Latticino. The goblet in the picture is the large size and is £14 (£15 for three including p+p). The candlesticks are £34 a pair (including p+p).

Finally, there is an iridescent range called Granta which uses chips of colour to make coloured objects like paperweights, animals, vases, bottles and bowls. If you can't get to the shop at Auckland Road, Cambridge, write to Simon Wood (marketing manager) for details of your nearest stockist.

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# Typical Mrs Thatcher

By Malcolm Rutherford

## The other Government campaign

GOVERNMENT business, and even the conversation of normally peaceful officials and businessmen has naturally been entirely taken up with the Falklands in recent weeks. However, in the long haul Mrs Margaret Thatcher is engaged in an economic campaign, not a military or diplomatic one; and before the new crisis distracted everyone's attention, ministers were clearly beginning to scent a victory on that front.

### Revival

In purely domestic terms there are indeed grounds for optimism. Politically, the weather has turned much warmer for Mrs Thatcher herself. The glow generated by national solidarity over the Falklands may fade, but if the crisis is succeeded by better economic news, the political momentum could well be maintained. The chances of the two terms which Mrs Thatcher has always said she requires to complete her economic policy now look interesting.

The big unanswered question at home is the likely character of the revival, if it occurs. The Government's strategy calls for two developments which have no precedent: a revival led by investment, despite depressed markets; and a large diversion of real income from wages to profits, achieved without strife.

### Adjustment

The worldwide recession, however, based on a far more cautious and contractionary atmosphere in all international credit markets, will not easily be reversed. Caution is reinforced by every new crisis, whether in the Falklands, Poland or the Middle East, as well as by fears of major corporate failures in the airlines, farm equipment and perhaps the motor industry. This is the pain of disinflation on a worldwide scale, and the adjustment is far from complete. A strong revival at home against such a background would be more of a miracle than overcoming any of our present domestic problems. This time there is a precedent: the 1930s. Nobody could call it a comfortable one, though.

### Strategy

None of this guarantees that the same competitive challenge will be met with the same miracle. This requires that management should eagerly invest any improved cash flow

in new products and processes, and that the labour force, even in a reviving economy, does not try to pre-empt the available money in an attempt to restore real wages. These are large ifs, but the hopes no longer look irrational. Stick first, carrot later is not in the tradition of British economic management, but it could work.

In the public sector, however, the revolution has not happened yet. Both employment and real wages up to this year at any rate, have been protected from the squeeze, and it is here that the Government now seems to be running into trouble. The Government's Falklands experience makes it a good deal likelier that any challenge will be confronted with a stony face.

However, if the Government's domestic strategy is beginning to look more promising, the international background looks steadily less so. The Falklands crisis, even on the most favourable interpretation, will leave a residual cost in strained trade relations and an expanded defence budget. Much more serious is the impasse on American economic policy, which seems likely to delay any fall in dollar interest rates and the increasing difficulties of a host of commodity producers and rapidly developing countries.

In one respect recent news is helpful. The recent weakness of the dollar, based on growing evidence of a poor trade performance as well as the belief that interest rates may have peaked, will reduce the influence of Wall Street in non-dollar credit markets. A good domestic performance could still bring interest rates down in Britain, as it has in Japan and Germany.

### Adjustment

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THERE are still a few days left. The U.S. has come off the fence and applied economic sanctions to Argentina. But it has plainly not yet abandoned the search for a negotiated solution.

Moreover, the full British fleet is still not in the area. HMS Canberra, which carries the second complement of British aircraft, is reported to be several days away. Some of the support vessels are still further.

There could, of course, be accidents. Since both Britain and Argentina have declared their exclusive zones, some of which overlap, it is by no means inconceivable that there could be premature engagements. But they would not necessarily be decisive. There could be the loss of an aircraft or a ship, then a pause for diplomacy.

The way to the United Nations, if or when the American diplomatic efforts break down, remains open. Even the Americans now admit that a further resort to the UN would be preferable to war. So did Mrs Thatcher in her speech on Thursday.

There is one other factor that could matter. According to diplomatic sources (not British), the regime in Argentina is in a state of nervousness bordering on disorder.

The instability, the sheer indecisiveness, the inability of the regime to produce anyone with whom it is possible properly to negotiate have been factors all along. But it is now said that the regime could crumble, though whether its successor would be any better is another question.

Some of that may be hissed propaganda. Yet it is indicative of a wish to play for time. There is no firm evidence that Britain, Argentina or the U.S. are reconciled to war. Thus, having lived with the crisis virtually throughout April, it looks as if it will be with us for a good part of May, still unresolved.

It is worth going back, briefly, to the beginning. Neither Britain nor Argentina expected events to develop as they have. We have the word of Sir Nicolo Cosentino, the Foreign Minister, that Argentina thought that Britain would make a diplomatic protest, but in the end would accept the reality that the islands had been taken over. It is very hard indeed to believe that the Argentine Navy would ever have set out if the Junta had thought that Britain would respond with such a task force, Harriers and all.

Britain was caught unprepared. It lost not only the Falkland Islands, but also a Foreign Secretary. The fleet was despatched after an emotional outburst by practically the entire House of Commons at the emergency session on April 2. It is equally hard to believe that the House would have behaved in that way if it had been able to foresee that, nearly a month later, such a collection of force would be deployed in the South Atlantic with still no diplomatic solution in sight.



Roger Taylor

‘The problem is that Mrs Thatcher blows hot and cold. It is not always possible to know which side is on top’

One comes inescapably to the conclusion that British policy is being made up as we go along. There is the mixture of diplomatic, economic and military pressures. Yet even that was not put together at the start. The British Government was surprised by the degree of support they received in the UN Security Council: it is now said in diplomatic circles that the Soviet Union was caught unawares, too, which is why it did not veto Resolution 502 condemning Argentina's aggression.

The Government was also surprised by its fulsome support from the European Community. At the very beginning, it did not even seek it. It seems to have been surprised again when the first part of the fleet arrived

in the South Atlantic, the weather was bad—as Mr Denis Healey said, winter tends to come at about the same time every year—and there was no precise mission. It looked for a while as if the naval presence might begin to dictate the logic of events. The fleet was there, so it would have to be used. Argentina, anyway, had had three weeks in which to negotiate a peaceful withdrawal, and had failed to deliver.

That was last Monday when the Prime Minister spoke in belligerent terms in the House of Commons and then was rather more conciliatory in her interview on Panorama. Her worst moment came on Sunday evening when she produced Mr John Nott, the Defence Secretary, outside No 10 Downing

Street and talked about rejoicing over the recapture of South Georgia.

As some Conservative MPs said, she has never stood by the side of Mr Francis Pym, the Foreign Secretary, like that. But then perhaps Mr Pym would not allow himself to be treated like a ventriloquist's dummy.

Much of that seems to me to be typically Mrs Thatcher. The Falklands crisis can in no way be said to be her fault. It was none of her business. She left it to the Foreign Office which was quite properly going about seeking a long-term solution, then fatally misread the signals just when it mattered. The Prime Minister entered the scene with her customary desire to get things done and

her no less customary moral fervour. Yet there is more to Mrs Thatcher than the crusader. There is also the conciliatory side, the side which accepted the settlement in Rhodesia—now Zimbabwe—and which gave way to the miners over pit closures rather than risk a confrontation. There is a caution, a readiness to listen to advice, as well as a daring.

The problem is that she blows hot and cold. It is not always possible to know which side is on top. On Monday afternoon it was all belligerence; the fleet could not be around indefinitely. “One cannot,” she said, “have a wide range of choices and a wide range of military options with the task force in the wild and stormy waters of that area.”

On Tuesday, in response to Mr Michael Foot, the leader of the Labour Party, she appeared to be all against any further recourse to the UN. On Thursday it was all sweetness and light. Of course, she said, the UN might have a role. So might the International Court of Justice. If necessary, Mr Pym might even go to New York to see the UN Secretary-General, a suggestion first made by Mr Foot and originally pool-pooled by the Prime Minister. Now he is going.

There is an element of party politics here which Mr Foot fully understands. Mrs Thatcher made a perceptive remark on Panorama when she said that he had not been pressing for all-party consultations because the access to confidential information involved might inhibit him in the political debate. (The Social Democrats and the Liberals, on the other hand, do want the consultations because they would enhance the status of the Alliance. The Prime Minister, people sometimes forget, is a consummate politician, a gambler who so far has nearly always won; for instance, in challenging Mr Heath's leadership in the first place.)

Yet there is also an inconsistency. It is very difficult to be sure precisely what Mrs Thatcher is fighting for. Sometimes it is the right to self-determination of the Falkland Islanders. “Their loyalty to Britain is fantastic,” she said on Panorama. “That is another reason why we have to stick up for them. We must stand by them.”

Quite apart from whether the right to self-determination is enforceable in the particular circumstances, Mrs Thatcher sometimes puts the British case in another way. It is a matter of standing up to and, if necessary, punishing aggression. President Galtieri is sometimes exalted as a dictator, though he was not before the invasion took place and when the British Government was very happy to do business with him.

These inconsistencies matter. For however wrong Argentina is, the invasion does have to be seen in perspective. The Falk-

lands are not the Sudetenland. There are only 1,800 Islanders. So far as we know, Argentina has no wish to exterminate them. To say that they must be allowed to retain their old way of life for ever is a bit like saying that Lord Bessing should never have proposed the closure of the railway lines and most uneconomic railway lines in Britain. Sooner or later, everyone involved in the dispute is going to have to start thinking about the future.

The irony of the British position is that whatever happens in the next few weeks, ultimately the status of the Falkland Islands is going to be different from what it was before the invasion took place. In a sense, the American mediation never advanced beyond square one. Argentina said that it would withdraw its forces, but it would not relinquish its claim to sovereignty. “Sovereignty,” Sr Costa Mendez repeated yesterday, “is not negotiable.” Britain said it would only discuss the future when the forces were withdrawn.

Even if there is fighting, that is how it is likely to remain. Britain cannot defend the Islands indefinitely and Argentina will maintain its claim. Both sides will have to come back to the search for a negotiated settlement.

Many of the possible solutions have been discussed this week and some have been around for years. They include recourse to the International Court of Justice; UN trusteeship or “leaseback” under which Britain would cede sovereignty in return for continuing to administer the Islands. There could be variants on all three. No-one is likely to come up with anything better after shots have been fired.

That is why it seems to me that there is still some hope of a diplomatic outcome. The Americans have now played their own economic card, but that does not mean that they must cease to mediate.

There is no reason to think that the British Government likes the proposals for a settlement outlined by Mr Haig yesterday.

Indeed there is some evidence that it was relieved that they were first rejected by Argentina. Had the Junta found them acceptable, the Government might have found itself opposing the U.S.

Yet when Parliament meets again it will have to discuss whether it is possible to find anything better. There could be worse solutions than a joint U.S.-UK-Argentine Interim Authority and the continuation of the traditional local administration, which is what Mr Haig suggested.

The question now is whether anything more can be achieved by force. It would be a very strange result if force were used only to return to discussion of a peace plan which had previously been rejected by both sides. But it could happen.

## Letters to the Editor

### Falklands

From Major-General R. Mans.

Sir,—I must register acute disappointment at the line you have taken over the Falklands crisis. In this context I strongly support the strictures contained in Mr A. Spencer's letter (April 23).

You continue to advocate that the United Kingdom should take the issue to the International Court of Justice. I do not recall that Argentina has ever offered to test its case in that forum and yet it now declaims the justice of her cause in invading British sovereign territory. In like vein Justinian (April 28) argues for a form of UN trusteeship. These suggestions, however feasible in the longer term evade the central issue of the moment: the withdrawal of Argentina in compliance with UN Resolution 502.

As to the UN itself being able to take military action to evict the aggressor, apart from Korea when the Soviet Union in error was absent from the Security Council, there are no examples of the UN having the concerted political will and the available military power to act swiftly in this fashion. Moreover, it is near certainty that the Soviet Union if only to protect its wheat supplies, would veto any action under Article 42. In the words of your own report from the UN it was indeed “miraculous” that we even achieved the passage of Resolution 502. No doubt Argentina would then be delighted to see the issue deteriorate into a protracted warlike within the General Assembly, giving it further opportunity to consolidate its ill-gotten gains.

The Financial Times and Michael Foot make strange bedfellows in urging a policy of procrastination. This is a lie the Soviet Union would be happy for us to follow for it would give them a clear indication of a weakening in the West's resolve to uphold the right of any people, however

small in number, to determine their own allegiance. Rowley Mans, Kirk House, Swaney Road, Brockenhurst, Hants.

From Mr R. Campbell

Sir,—Reading your letters page of April 29 I was astonished at the views expressed. At no stage since the war has Britain been prepared to allow the wishes of the Falkland Islanders to be paramount, nor to maintain massively expensive forces solely to protect a handful of people on islands thousands of miles away over which our sovereignty is dubious. Now apparently we are prepared for these things, and, indeed, prepared to enter a full-scale war over islands which we have been attempting to negotiate away in some form or other for very many years. Mr Ledebor prefers war to “shilly-shallying.” Mr Holford seems to believe that war now will prevent a greater horror later as Argentina attempts to conquer further. Mr Tray believes that the wishes of the islanders should be paramount, and indeed should be defended by us “with all force necessary.” Are we prepared to go to war, and, assuming a success by no means certain, to commit ourselves to expensive and dangerous defence of the Falklands in future, to court almost certain expulsion and reprisals against Britons in Argentina, to become reviled by most of S. America, to drag the U.S. into a conflict which will seriously damage its standing in its own continent, over islands which we do not want? It seems we hope.

I am sure no-one describes it as a sensible and coherent foreign policy. Roderick Campbell, Yorks Hill Farm, Ide, Kent, Sevenoaks, Kent.

From Mr J. Carver

Sir,—Having some experience of South American territorial disputes, I would like to under-

stand the possibility of early armed conflict does not obviate need for an eventual solution to the issue of sovereignty. I urge above as an acceptable face-saving dispute settlement procedure of unimpeachable, international propriety, which the Government should no longer seem to ignore. Jeremy Carver, Royal House, Aldermanbury Square, EC2.

From Mr A. McCulloch

Sir,—Why not offer Argentina a 999 year lease of the Falkland Islands? This would ensure active Argentinian participation in the running of the islands for a period equivalent to sovereign status while at the same time ensuring that actual sovereignty continued to reside in Great Britain. As with any lease, terms acceptable to each party would have to be negotiated.

In this context the interests of the Falkland Islanders, the aspirations of the Argentinians and the present British position could be accommodated without recourse to either United Nations or to other go-betweens. Alexander McCulloch, 22 Mill Hill Close, Haywards Heath, Sussex.

From Mr J. Laird

Sir,—Your article (April 27) on the trusteeship of the Falklands, is, of course, right. But it is wrong to say there should be British administration. Before the Argentine invasion there was de facto joint administration. The inhabitants needed both British and Argentinian passports to leave the islands. This in itself demands UN trusteeship. Both countries are at fault for not bringing this about and fighting. And the whipping up of war hysteria in both countries is dangerous madness in this atomic age. J. Laird, Haughhead Farm, Uddingston, Glasgow.

Allowances

From Mr D. Leigh

Sir,—One lesson we might learn from the long company

casualty list of the last couple of years might be to take another look at our capital allowance system. The present system allows companies investing in plant and machinery to write-off 100 per cent of their cost against profits. This is fine when a company is making profits. The results, however, when the company misjudges the short-term market can be catastrophic. Borrowings at high interest rates required to provide the investment eat further into the profit and loss account. The banks then understandably begin to worry about the security of their loans in a company making losses. When the receiver is called in the probably finds a company with large capital allowances which have never been used because the company was not making profits during the short period of the investment.

Ironically this does not necessarily mean that the investment was unsound, only that a company taking say a 5 or 10 year view of its future does never realise its expectations due to a one- or two-year loss position—a loss which could possibly have been eliminated or alleviated if capital allowances had been available. Surely the answer is to change from a capital allowance system to a capital grant system. The company, instead of claiming back the cost of the investment against taxable profits would claim back say 52 per cent of the cost of the investment as a grant in the appropriate company cash flow at the very time when cash flow is probably most needed. The net cost to the Revenue should ultimately be the same, but a few companies may be saved. Dudley S. Leigh, 28, Rosecott Avenue, NW3.

Smelters

From the Chairman, Garfield Lewis

Sir,—The statement by Robert Cowan (April 28) coincides with both Cabinet con-

sideration of the problem and with Kaiser's application for lower power costs for the Anglesey smelter. Kaiser is reported to have said that without special concessions it may have to close it.

It seems to me that the enormous sums expended by the companies and the nation on the smelters have quite possibly had a negative effect on employment and a detrimental effect on the balance of payments. So great have been the losses by the smelters that they must have had an inhibiting effect on other investment, especially in semi-fabricated products (semis) plant. If only part of the initial capital plus accumulated losses had been put into either new rolling mills or modernising existing ones then today this country might have been a net exporter instead of a very substantial importer of semis. Since production of semis is far more labour intensive than production of ingot, jobs lost, or rather never artificially created, at smelters would have been more than offset in the semis industry. It must be remembered that three or four rolling mills have been shut and others are either not competitive or cannot match European quality and versatility.

If the 1987 correspondence was re-publicated, we would all be reminded of just how controversial the decision was then. That the argument should still be repeated 15 years later in spite of what has happened in power costs and in the face of a world-wide glut of aluminium is astonishing. Some of us consider it improper that general industry and the public, who cannot be in possession of all the facts, should be paying extra for their power in order to subsidise not merely private industry but illegal private industry. I hope that the lobby to continue such economic foolishness will not develop, let alone succeed. L. A. Garfield, Lyon Road, Broadheath, Altrincham, Cheshire.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

S. Pearson unveiled an agreed offer worth more than £50m for the publicly held minority interest of 36.4 per cent in the group's separately quoted publishing subsidiary, Pearson Longman...

Allied Foods made a £6.42m share exchange offer for J. and W. Nicholson, a private holding company with interests in gin distilling, whisky blending, public houses and hotels...

Stockbrokers Sheppards and Chase, acting on behalf of an unnamed client, launched a dawn raid on builder and civil engineer J. Jarvis. The brokers attempted to buy up to 150,000 shares...

Dealings in NCC Energy were suspended on Monday at 3.5p against a price of 5.5p at the close of business the previous Friday and a 1981 high of 14.2p. The suspension, at the company's request, was announced pending clarification of NCC's affairs...

Welbeck Investments, the financial services, textiles and printing group, received an approach which may lead to an offer for the company. Welbeck advised shareholders to take no action pending a further announcement.

Table with 5 columns: Company bid for, Value of bid per share, Market price, Price Value before bid, Bidder. Lists companies like Capesails, Cawoods, Empire Stores, Federated Land.

Table with 5 columns: Company bid for, Value of bid per share, Market price, Price Value before bid, Bidder. Lists companies like General & Comm., Grant Bros., Heron Motor Grp., Lancaster (D.M.), Lonsdale Univ., Moran (I.C.) Group, Pearson Longman, Speedwell Gear, Case, Tunnel Hlgs.

All cash offer. \* Cash alternative. † Partial bid. § For capital not already held. ¶ Based on April 30 1982. †† At suspension. ††† Estimated. §§ Shares and cash. †††† Unconditional.

PRELIMINARY RESULTS

Table with 5 columns: Company, Year, Pre-tax profit (£000), Earnings\* per share (p), Dividends\* per share (p). Lists companies like Alibon & Sons, Amal Metal, Astbury Madeley, BAT Industries, Benthalls, Blue Circle Inds., Boot (Henry), Border Brews, BSG Internat., Brook St Burwd., Central & Shurd., Chesterfield Prop., Clarke Metals, Cleasland Clark, Clive Discount, Crowther (John), De Vere Hotels, Downbrae Hlgs, Evered, Farnell Elect.

INTERIM STATEMENTS

Table with 5 columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends\* per share (p). Lists companies like Flight Refuelling, Gramplan (TV), Ropkinsm Hlgs, Hocking & Barton, Housings Fraser, Hunting Petrol, Hyman (I & J.), Jessel Toyneeb, Laing (John), Liberty & Co., Lillieshall, London Utd. Inv., Marks & Spencer, Marlborough Prp, Miller (F.), Nell (James), Newarthill, Office & Electr., Parame, Pearson Longman, Pearson (S.), Petrocon, Richardson Warrth., Skoy Hotel, Silenburgh Hlgs., Simon Engr., Slingsby, Small & Tidmas, Smith (W.H.), Solicitors Law, Sparrow (G.W.), Stylo, Tarmac, Telephone Rntis., Tern Consulate, Thomson T-Line, Toye, TTKM, Travis & Arnold, Turrit Corp., Wadkin, Whatman Reeve, Wimpey (Geo), Wire & Plastic, Ynic Catio.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Markheath Securities—Is seeking a full Stock Exchange listing. Radio City (Sound of Merseyside)—Is planning to join the Unlisted Securities Market. The GRA Group—Has applied for a full Stock Exchange listing.

Flight Refuelling (Holdings)—One for two. Silenburgh Holdings—One for one. Telephone Rentals—One for one.

RIGHTS ISSUE

Marlborough Property—Is raising £2.4m by way of a rights issue of 10 per cent convertible stock, 1982-2002, on the basis of £1 nominal of stock at par for every nine held.

Pentland Industries goes ahead to £1.32m

PRE-TAX PROFITS of Pentland Industries rose from £1.24m to £1.32m in 1981 on turnover higher at £32.52m, compared with £28.1m. The final dividend of this industrial holding company with interests in general trading, service and printing, is being raised from 1.5p to 1.6p per share to 1.85p, making a total of 1.85p (1.65p). A one-for-five scrip issue is also proposed. Earnings per share are given higher at 13.83p (8.9p). The directors say that although margins continue to be under pressure they believe that subject to circumstances outside their control 1982 should show a further strengthening of the group.

BSR plans to continue cost-reduction policies

DURING THE current year BSR, the audio, electronics, housewares and industrial group, will continue its policies to reduce costs and improve profitability and cash flow because it would be optimistic to assume any improvement in the general level of industrial activity throughout the world, Mr John N. Ferguson, chairman, says in his annual report. The electronics division continues to show considerable growth and substantial investment will be made to provide additional facilities particularly in Singapore and Hong Kong and equip these factories whose products should make a definite contribution to profits by the second half.

Moss Bros maintains recovery

SECOND HALF profits of £91,000 against losses of £118,000 are reported by Moss Bros, tailor, and figures for the full year to January 30 1982 show pre-tax profits of £28,000 compared with losses of £38,000. The final dividend is raised from 1p to 1.5p against an increased total of 2.2p against 1.7p. Turnover, excluding VAT, dipped slightly, from £8.58m to £8.23m. The directors say there is still little sign of an upturn in trade. It may come later this year, but whether it does or not, the company will continue its policy which is to ensure that it does not lose a sale or hire if it can possibly be avoided.

Lornex diversifying into coal business

THE CANADIAN copper and molybdenum producer Lornex Mining, which recently announced a loss for the first quarter of this year, plans to diversify into the coal business. Lornex is to acquire a 39 per cent interest in the Bullmoose mining coal project in northern British Columbia, owned by the Teck Corporation. Construction costs, to which Lornex will contribute in proportion with its stake, are expected to come to around £824m (£113m). Teck plans to retain 51 per cent of the project with Japan's Nissho-Iwai holding the remaining 10 per cent. Bullmoose should come into production towards the end of next year, with output of 2.3m tonnes of coal a year. Long-term contracts have been signed with Japanese steelmakers for the supply of 1.7m tonnes a year over the succeeding 15 years. Rio Algom of Canada owns 88.1 per cent of Lornex, and is itself a 52.8 per cent-owned subsidiary of Rio Tinto-Zinc.

SHARE STAKES

Bertam Holdings—Jobore State Economic Development Corporation holds 4,316,500 ordinary shares (31.58 per cent). Bremer Trust—Mr R. L. Owen, director, notifies that he has disposed of 22,000 ordinary shares and General Finance has disposed of 177,800 ordinary shares leaving holding 181,800 shares (3.52 per cent). Mr C. M. Simmonds, director, has disposed of 200,000 ordinary shares leaving holding 245,000 shares (4.73 per cent). All above disposed of at 62p.

SHARE STAKES

General Assurance Society no longer has a declarable interest in the deferred ordinary shares of Hall Engineering (Holdings)—Marchwell has acquired a further 150,000 ordinary making holding 1,043,039 ordinary (7.58 per cent). Steel Bros. Holdings—Briemlin Investments interest in the ordinary shares has been increased from 4,264,164 to 4,430,164 (39.72 per cent of the voting equity). Synmonds Engineering—Mr C. A. Rowley, director, has purchased 99,870 of the company's Delta Group—Norwich Union Group's holding now exceeds 5 per cent. Details as follows: Norwich Union Life Insurance Society, B Account 4,023,373 (2.32 per cent); Norwich Union Fire Insurance Society (0.36 per cent); Norwich Union Insurance Group (Pensions Management) 2,000,000 (1.40 per cent); total 7,264,175 (5.08 per cent). Halama—80,000 ordinary shares were allotted to S. Barber, chairman, following the exercise of an option under the provisions of the company's share option scheme. Also, Mr Barber has sold 100,000 ordinary shares. After these transactions, holding of Mr Barber in ordinary shares is 1,279,200 shares (6.54 per cent). Hambro Life Assurance—Mr J. G. Joffe, director, has sold 10,000 ordinary shares. Fochin's—The directors of the late Mr C. N. T. Fochin have transferred 9,800 shares to other family holdings. Milford Docks—NA Investments has acquired 9,500 ordinary shares in the company, holding 190,100 (24.37 per cent). Property Security Investment Trust—Harper Investments has ceased to be interested in 100,000 ordinary shares, reducing total holding to 81,807. A. R. Perry, a director, has ceased to be interested in 100,000 ordinary shares. BEN BAILEY CONSTRUCTION (building contractor and estate developer)—Interim dividend 0.25p (0.44p). Group shareholders' meeting on December 31 1981 £2.02m (£2.77m). Fixed assets £121.23m (£118.80m); net current assets £10.73m (£11.29m). Partial revaluation of properties at year-end disclosed surplus of £4.4m which together with a directors' estimate of remaining properties resulting in a total surplus of £50.31m; turnover £715,667; tax (£41,763); financing bureau—Taxable profits for six months ending December 31 1981, £10.2m (before tax) net current assets £15.43m (£17.50m). Listing: The Barber-Surgens, Notl, Monkwell Square, EC, May 20, noon. LONDON AND MONTEBELL INVESTMENT TRUST (for half year) ended March 31 1982: gross income £75,328 (£87,028), expenses £68,785 (£78,885), net income £6,543 (£8,143), net asset value per share £140.50 (£139.50). MICROFILM REPROGRAPHICS (lab., microfilm, video, audio, computer, half and board aspects pre-tax profit for year) to exceed the £197,812 returned for 1980-81. Company's shares are quoted on the US listing. NEWARKET COMPANY (venture capital group)—Results for 1981 current year. Net current assets £755,288 (£728,348). Shareholders' funds £1.65m (£1.5m). Major part of fixed assets in U.S. now disposed of and borrowing being now substantially down on the £48,000 shown at year end. Meeting: Huddersfield, May 20.

Ayrshire £243,000 in the red

IN THE second half of 1981, Ayrshire Metal Products, light engineering and steel fabrications concern, made a loss of £243,000. This compares with a profit of £200,000 in the first half, which included the deduction of redundancy costs of £122,000, and leaves the full-year loss at £243,000 against a £250,000 profit in 1980. The directors say adverse trading conditions are still facing the company. A small loss continues to be made and there are few signs of improvement. Turnover dropped from £14.25m to £12.14m. There was a tax credit of £98,000 (£85,000). The final dividend is again omitted, as was the interim. The 1981 total was 2p net per 25p share.

Radio City first in its field with USM listing

RADIO CITY, Merseyside's successful commercial radio station, plans to put new non-voting shares on the Unlisted Securities Market next month. This will be the first time in Britain that shares in commercial radio have been offered to the general public and, if successful, could prompt similar moves by other independent stations with good profit records. The plan awaits formal approval by the Independent Broadcasting Authority, but this is expected shortly. Only negotiable shares will be offered because of IBA restrictions on voting control. The company's present share structure is 100,000 £1 voting shares and twice that number of non-voting shares. Under the plan, the number of shares outstanding will rise to nearly 3m, made up of 480,000 voting shares and 2.5m non-voting. The company has two major projects in the pipeline, the purchase of a 20 per cent stake in the Wirreham, a radio-based commercial radio station for North Wales, and Beatie City, a centre for contemporary art and popular music as well as a museum devoted to Merseyside's best-known musical exports. Radio City has already spent £500,000 on the museum, including the purchase of £37,000 of Beatie memorabilia, including John Lennon's moped. However, it does not need to raise funds for either project since the company showed cash assets of £1.2m in its last balance sheet. Mr Terry Smith, Radio City's founder and managing director, refused to say what any new money raised might be used for. The station, which now has 71 employees, began broadcasting in 1974 and has consistently increased its market share of national, regional and local advertising since then. Last year's pre-tax profits were down on 1980, to £372,000. Between 1977 and 1981, sales increased from £1.2m to £2.6m. Part of the reason for success is a mix of programmes which, according to independent surveys, attract a complete spectrum of Merseyside social classes and ages. The station's current contract with the IBA expires in October, 1985 and they will be applying for a new eight-year contract. Radio City's merchant bank advisers are County Bank and brokers to the issue are Tilney and Company.

M. J. H. Nightingale & Co. Limited

Table with 5 columns: 1981-82 High/Low, Company, Price Change, Gross Yield, P/E. Lists companies like 130 100 Ass. Brit. Ind. CULS., 75 62 Airpump & Rhodios, 51 33 Armitage & Rhodios, 205 105 Bardon Hill, 107 100 CCL 11pc Conv. Pref., 104 61 Odebank Services, 131 37 FRANK, 78 41 Federal Park, 82 39 George Blair, 103 33 Ind. Precision Castings, 109 104 Isa Conv. Pref., 119 94 Jackson Corp., 132 80 James Borough, 106 108 James Borough, 324 280 Robert Jenkins, 85 21 Scruttons 'A', 22 159 Toray & Carlisle, 110 10 Twinkl 15pc U.S., 80 76 Unilock Holdings, 103 73 Walter Alexander, 283 212 W. S. Yeates. Prices now available on Prestel page 45146.

RESULTS AND ACCOUNTS IN BRIEF

JOHNSON GROUP CLEANERS—Results for year to December 29 1981 and prospects reported March 19. Shareholders' meeting on April 27 (29.51p). Fixed assets £21.23m (£18.80m); net current assets £10.73m (£11.29m). Partial revaluation of properties at year-end disclosed surplus of £4.4m which together with a directors' estimate of remaining properties resulting in a total surplus of £50.31m; turnover £715,667; tax (£41,763); financing bureau—Taxable profits for six months ending December 31 1981, £10.2m (before tax) net current assets £15.43m (£17.50m). Listing: The Barber-Surgens, Notl, Monkwell Square, EC, May 20, noon. HOUSE PROPERTY COMPANY OF LONDON—Results for 1981 reported on March 31 1982. Fixed assets £682,575 (£469,111); net current assets £287,075 (£230,844) including cash at bank and deposits £104,559 (£20,137); increase in working capital £218,053 (decrease £28,463). Chairman says since the end of the year market for houses appears to have improved. Meeting: Egle House, High Street, Wimbledon SW, May 27 at noon. BEAUFORT GROUP (engineer and manufacturer)—Results for year 1981 already reported with prospects for current year. Net current assets £755,288 (£728,348). Shareholders' funds £1.65m (£1.5m). Major part of fixed assets in U.S. now disposed of and borrowing being now substantially down on the £48,000 shown at year end. Meeting: Huddersfield, May 20.

Cradley improves to £280,000

Improved pre-tax profits are shown by Cradley Printing Company, lithographic printers, for the six months to December 31 1981. The surplus moved ahead by £100,000 to £280,000 on higher turnover of £1.7m against £1.55m. The present state of the company's order book say the directors, would suggest that full-year results should be as good, if not better, than last year. In the past full year dividend of 0.85p was paid from profits of £401,577 on turnover of £2.3m. As turnover of the company's specialised sphere continued to increase during the year under review, the directors say it became obvious that further expenditure would be necessary. They have therefore committed themselves to an additional outlay in excess of £1m in the current year. A new factory bay has been completed and is operational.

No preference payment from Five Oaks Inv.

The directors of Five Oaks Investments say that although sufficient distributable reserves are available at the half-year for the declaration of the preference dividend they do not recommend such a distribution. Figures for the half-year to December 31 1981 show a substantial increase from £31,118 to £54,287 in turnover, with trading profits of £49,120 against losses of £34,960. Net retail income rose from £33,094 to £42,175. Interest payable was £12,501 against interest received of £17,925. No tax was payable, and after an extraordinary debit of £10,645 (£1.18 credit), stated earnings per 25p share were 1.61p (0.57p losses). The group is, however, in the process of completing a number of negotiations which will lead to increasing activity in the coming months.

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LOCAL AUTHORITY BOND TABLE Authority gross pay/Minimum of interest/able sum bond. Knowlsey (051-543 6555) 13 1/2-year 1,000 48

LADBROKE INDEX Close 572-577 (-5)

Table with 10 columns: Name and description, Size (£m), Current price, Terms, Conversion date, Flat yield, Red. yield, Premium, Current, Div. Current. Lists companies like British Land 12pc Cv. 2002, Hanson Trust 6pc Cv. 88-93, Slough Estates 10pc Cv. 87-90.

ANGLO AMERICAN INVESTMENT TRUST LIMITED NOTICE TO MEMBERS. NOTICE IS HEREBY GIVEN that the forty-sixth annual general meeting of members of Anglo American Investment Trust Ltd will be held at 21, Abchurch Lane, London EC4N 3DF, on Wednesday, June 1, 1982, at 12 noon.

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WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of stock prices for New York market, including columns for Stock, April 29, and April 30.

STOCK

Table of stock prices for various international markets, including columns for Stock, April 29, and April 30.

Down 4 on Falklands report

NARROWLY HIGHER levels developed on Wall Street yesterday, buoyed by the news that Argentina has agreed to comply with the UN resolution on the Falkland Islands situation.

Swire Properties 10 cents to HK\$7.40. The Khoo Kay Peng stable, headed by Mul and Promet were among the volume leaders.

Prices were weaker at mid-session yesterday, when the Toronto Composite Index fell five points to 1,547.1.

Prices remained weak throughout, particularly Resource issues, with many traders showing caution ahead of any developments on the Falkland Islands dispute.

The All Ordinaries Index lost 3.5 to 502.2, the All Resources 7.5 to 375.4 and the Metals and Minerals 9.1 to 362.0.

Belgian and Foreign shares were lower in quiet trading. Wall Street continued weakness, International events and the May 1 weekend also contributed to the lower tendency.

There was some disappointment among investors that Reagan and Congress have not reached a compromise on the Federal Budget.

Domestic share prices closed little changed in light volume. The Bond Market was only narrowly higher despite Thursday's cut in Customer Time Deposits by four major Swiss Banks and reductions in Commercial Lending rates by leading Zurich Banks.

Analysts said there is concern among investors that the Budget impasse may keep interest rates at high levels and also delay a recovery from the recession.

Domestic share prices closed little changed in light volume. The Bond Market was only narrowly higher despite Thursday's cut in Customer Time Deposits by four major Swiss Banks and reductions in Commercial Lending rates by leading Zurich Banks.

Precious Metals started sliding after the Argentine announcement. Bullion was being quoted at \$339.50 an ounce, off \$16.76 from Thursday night's close.

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NEW YORK

Table of stock prices for New York market, including columns for Stock, April 29, and April 30.

STOCK

Table of stock prices for various international markets, including columns for Stock, April 29, and April 30.

Indices

Table of stock indices for New York, including columns for Index, April 29, and April 30.

STOCK

Table of stock prices for various international markets, including columns for Stock, April 29, and April 30.

CANADA

Table of stock prices for Canada market, including columns for Stock, April 29, and April 30.

BELEM (continued)

Table of stock prices for Belem market, including columns for Stock, April 29, and April 30.

CANADA

Table of stock prices for Canada market, including columns for Stock, April 29, and April 30.

BELEM (continued)

Table of stock prices for Belem market, including columns for Stock, April 29, and April 30.

Notes and footnotes at the bottom of the page, including 'Notes - Prices on this page are quoted on the individual exchanges and are subject to change without notice.' and 'S&P 500 Index: 281.50'.

Malaysian bid of \$260m for United Plantations

BY WONG SULONG AND HILARY BARNES

FINMA, the Malaysian Government-owned agro-based industrial group, has bid for Danish-owned United Plantations.

It is offering 6 ringgit a share, placing a market value on United Plantations of around 800m ringgit (\$260m).

Government for 30,000 acres of jungle, next to the group's estates, for oil palm and cocoa cultivation.

UP is offering 6 ringgit a share, placing a market value on United Plantations of around 800m ringgit (\$260m).

UP began cultivation of oil palm in Lower Perak State in 1906, and at present has 30,000 acres of oil palm, cocoa and coconuts.

UP has also announced it has taken up a 30 per cent interest in a project to cultivate vegetable oil seeds on a 30,000-acre estate in Queensland, Australia.

Dawn triumph for HK Land

BY ROBERT COTTELL IN HONG KONG

HONGKONG LAND launched a dawn raid on Hongkong Electric shares early this week to take the giant step on a journey that at eight o'clock Hong Kong time last night allowed it to confess that one of its subsidiaries held 34 per cent of Electric.

subsidary? What was in it for Land or for its partners, and why should whatever it was be split? How much of Electric did they have before the raid?

Roll on the annual reports. For though Jardine Fleming continued buying at a scrolling pace throughout the week, taking its clients up to Friday's 34 per cent total stake, how that is apportioned remains unknown.

The first cards were played at 9.45 on Monday morning, when Jardine Fleming passed round an invitation to all comers to tender their Electric shares at up to HK\$6.75 apiece, a third up on the pre-weekend price.

With Land, the picture is a little clearer. It already has 34 per cent of Hongkong Telephone, thinks long-term with its money, likes recurrent income, and has taken the plunge into equity accounting.

There are complicated and intriguing theories about what Land and Carrion will do with their stake. One, simple, idea is that they will hold it. Still, six days ago it looked like it was going to be a dull week in the central business district here.

Clore in new attack on Gulf Resources

By Paul Betts in New York

MR ALAN CLORE, the British businessman who lives in Geneva and son of the late Sir Charles Clore, is intensifying his attack on the management of Gulf Resources and Chemical Corporation.

He has taken out a large advertisement in the Wall Street Journal in which he says: "I believe the time has come to change the management and directors of Gulf Resources and Chemical Corporation."

Mr Clore has already accumulated 14.3 per cent of the U.S. company's stock for about \$26m. He has also indicated he intends to influence the Gulf management, which in turn has filed a suit against him seeking an injunction to block his apparent attempts to gain control of the company.

U.S. Olivetti to merge with Docutel

BY RUFERT CORNWELL IN ROME

IN A MAJOR move to develop its North American operations, Olivetti is merging its wholly owned U.S. subsidiary with Docutel Corporation.

at \$37.5m. Olivetti will receive some 2.2m shares of Docutel. Furthermore, Docutel will issue warrants in favour of Olivetti, convertible into common shares.

U.S. will achieve turnover of around \$600m. The new Docutel-Olivetti company will therefore represent the most important Olivetti operation outside Italy itself.

and managing director of Docutel who will retain these posts in the new company.

Following an agreement reached in 1980, the Italian office equipment maker already owns 19.9 per cent of Docutel, and with the newly-announced agreement the stake will rise to 47.8 per cent.

The agreement will be finalised over the next few weeks and will be submitted for the approval of U.S. Government authorities, since it involves a stock exchange listed corporation.

Earlier this year Olivetti acquired a 20 per cent shareholding in Micro-Optics Systems Technology, a U.S. company which specialises in advanced work stations for executives.

Mr Jack Meredith, chairman of Olivetti and Docutel in the U.S., will be named as managing director of the new company.

French textile group still in red despite sales rise

BY DAVID HOUSEGO IN PARIS

A REVIVAL of sales in the last quarter enabled the DMC group, the large French textile producer, to hold losses for 1981 at FFf 33.7m (\$5.5m) or marginally above those of 1980.

about 2,000 jobs either through streamlining or through subsidiaries going into liquidation.

Nissan executives to join Motor Iberica board

BY CHARLES SMITH IN TOKYO

NISSAN MOTOR is to be represented on the board of Motor Iberica following completion of the rights issue which has left Nissan with a 54.6 per cent shareholding in the Spanish company.

Spanish company's production lines in 1983 and 1984. Production of the four-wheel drive Petrol will begin in January next year at a rate of 15,000 units a year.

The group says, however, that the recovery of sales has continued through the first quarter of this year, with consolidated turnover up by 18 per cent to FFf 1.5bn.

Turnover in 1981 rose by 10.6 per cent to FFf 5.2bn. The FFf 33.7m loss for 1981 compares with a FFf \$5.3m loss in 1980.

Nissan said yesterday that it would send several executives from Tokyo to serve on the Motor Iberica board (the exact number and the positions they will hold has yet to be decided).

The total cost of reconstructing the Spanish company has been estimated at more than \$100m and is expected to be borne in part by contributions from new Japanese models to the Spanish Government.

Aeritalia moves into profit

BY OUR ROME STAFF

AERITALIA, the state-owned Italian aerospace group, last year returned to profit for the first time in three years, reporting net earnings of L.6bn (\$1.5m) compared with a deficit in 1980 of L.4bn. Pre-tax profits more than doubled to L.6bn.

tactical support fighter. The Italian air force has placed substantial orders for both aircraft.

Commodity investment without tax

BY OUR ROME STAFF

Commodity investment without tax. I.G. Index Limited, 9-11 Crosswell Gardens, London SW1W 0SD, Telephone: 01-828 5694.

So far so good, but the same day Electric, its chairman in hospital and its chief executive in suspended. They were, until after lunch, when the Hong Kong and Far East stock exchanges restored quotation.

If the suspension did little to improve tempers on the respective exchanges—while Electric was suggesting that a partial bid might be a more gentlemanly approach—it at least gave pause for thought.

Another rise in L&M warehouse stocks of copper this week, continued lack of consumer demand and pessimism about the U.S. economy, depressed prices offsetting a further cutback in deliveries by Southern Peru, because of the prolonged strike at the Toquepala mine and the smelter, as well as a threatened stoppage at the giant Noranda smelter in Canada.

COMMODITIES AND AGRICULTURE

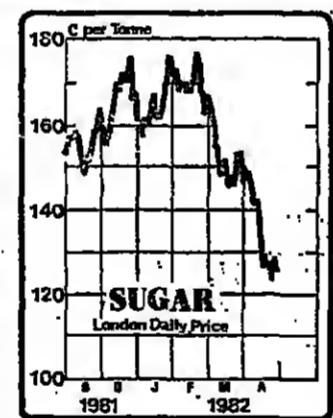
COMMODITIES/REVIEW OF THE WEEK

Gold market hit by Argentine statement

BY OUR COMMODITIES STAFF

Gold and silver prices fell sharply yesterday evening following Argentina's announcement that it was ready to comply with the UN resolution on the Falkland Islands.

Bank Holiday was £6.825 higher at over £208 a tray ounce. Turnover on the new market was sustained at over 1,000 lots (of 100 ounces each) daily except for yesterday when 471 lots were traded in the half-day only session.



BASE METALS

morning only trading on the London Metal Exchange, reflecting the increased tension in the Middle East and the Falklands. COPPER touched 883 in early trading, aided by the rise on Peru full force markets, but fell away on pre-fading to close at 886.5.

WHEAT, BARLEY

WHEAT, BARLEY. Month Year-to-date + or - Business Done. May 120.35 +0.38 115.60 +0.65. June 115.50 +0.38 107.70 +0.15.

GAS OIL FUTURES

The market was steady on higher physical prices but collapsed on the close on the Falkland news, reports Premier Min.

GOLD MARKETS

Gold rose \$11 an ounce from Thursday's close in the London bullion market yesterday to finish at \$361.3821. It opened at \$358.359 and rose on the deteriorating dollar in the Falklands and dollar weakness.

LONDON FUTURES

Month Year-to-date + or - Business Done. August 120.35 +0.38 115.60 +0.65. September 115.50 +0.38 107.70 +0.15.

WEEKLY PRICE CHANGES

Table with columns for commodity name, latest price, change, and year ago. Includes sections for METALS, GRAINS, WHEAT FUTURES, and OTHER COMMODITIES.

INDICES

Table showing financial indices: FINANCIAL TIMES, DOW JONES, MOODY'S, and REUTERS, with columns for date and value.

COFFEE

Table showing coffee prices: COFFEE, SOYABEAN MEAL, SUGAR, and GRAINS, with columns for date and price.

AMERICAN MARKETS

Table showing American market prices: AMERICAN MARKETS, with columns for date and price.

THURSDAY'S PRICES

Table showing Thursday's prices for various commodities, with columns for date and price.

NEW YORK, APRIL 29

Table showing New York market prices for April 29, with columns for commodity and price.

CHICAGO, APRIL 29

Table showing Chicago market prices for April 29, with columns for commodity and price.



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Table listing various unit trusts and their performance metrics, including names like 'Allied Unit Trust Managers Ltd.', 'British Unit Trust Managers Ltd.', and 'Investment Management Ltd.', along with their respective assets and returns.

RULE 163 (2) (a)

Applications granted for specific bargains to securities listed on any Stock Exchange. Includes a list of companies such as Anglo American, Anglo American Resources, and Anglo American Services.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration. Lists companies like Anglo American, Anglo American Resources, and Anglo American Services.

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange. Lists companies like Anglo American, Anglo American Resources, and Anglo American Services.

MARKET (208)

Table listing various market securities, including company names and their corresponding market values or prices.

MONEY MARKETS

UK clearing bank base lending rate 13 per cent (since March 12). Interest rates showed little change to London yesterday... Sterling showed little overall change in currency markets yesterday.

CURRENCIES

Sterling showed little overall change in currency markets yesterday. News that the Argentinean Government was ready to comply with the UN's resolution came to the fore.

THE POUND SPOT AND FORWARD

Table showing exchange rates for various currencies against the pound, including US Dollar, Deutsche Mark, Japanese Yen, and others.

EXCHANGE CROSS RATES

Table showing cross rates between major currencies like the US Dollar, Deutsche Mark, Japanese Yen, and the British Pound.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits, including Sterling, US Dollar, and others.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars.

LONDON MONEY RATES

Table showing London money rates for various currencies, including Sterling, US Dollar, and others.

CURRENCY MOVEMENTS

Table showing currency movements and exchange rates for various currencies, including Sterling, US Dollar, and others.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various European currencies, including the Deutsche Mark, French Franc, and others.

OTHER CURRENCIES

Table showing exchange rates for other major world currencies, including the Australian Dollar, Canadian Dollar, and others.

NOTES

Prices are in pence unless otherwise indicated and are subject to change without notice.

Companies and Markets

LONDON STOCK EXCHANGE

New account opens with marked downturn ahead of latest developments in Falklands crisis

Account Dealing Dates
\*First Declared Last Account
Dealings Date Dealings Day
Apr 19 Apr 28 Apr 29 May 10
Apr 30 May 13 May 14 May 24
May 17 Jun 3 Jun 4 Jun 14

The U.S. and Argentine Government statements on the Falklands came much too late to affect stock market values yesterday. But the market interpreted the Argentine statement as indicating a climbdown. In very late telephone dealings ICI were being quoted at 430p nominal, and GEC 880p nominal. If carried through all 30-share index constituents, this would put about 20 points on the index.

Indications from the U.S. at 5.45 pm London time pointed to a plunge in the gold bullion price from \$362 to \$354, subsequently rallying to \$344, trading in Gold shares there ceased on the announcement and market makers called share prices easier but not by substantial amounts. Ahead of the late Argentine developments, London stock markets began a new trading Account with a marked downturn. Fears about the crisis doused recent optimism and resulted in a relatively sharp sell-back to leading shares. British Funds also turned reactionary, but losses were relatively modest. The Government Securities index shed 0.16 to 67.70, slightly easier on the week. Leading shares were marked down sharply at the opening. The initial reaction failed to deter institutional selling which led to a further lowering of quotations. Offerings of stock, however, were absorbed with relative ease and a gradual rally ensued.

tions in several index constituents accounted for 0.3 of yesterday's opening fall. Secondary issues, recorded some useful gains, and the FT Actuaries 500 share index eased only 0.9 per cent from Thursday's record high.

Lloyds Bank lower
Lloyds Bank touched 394p before closing 11 down for a drop of 23 on the week at 386p. Other major clearers moved in sympathy, but closing falls were limited to 8. Elsewhere, Grindlays, at 155p, lost 11 of the previous day's speculative gain of 20 following profit-taking in the absence of the much-remembered dawn raid. Irish issues came on offer. Allied shed 6 to 76p and Bank of Ireland 5 to 210p.

Composites drifted lower on sporadic offerings and lack of support. Eagle Star lost 4 to 380p as did GREL to 282p, and Sun Alliance, to 502p. General Accident cheapened 2 to 284p; the first-quarter figures are scheduled for next Wednesday. GRA Group, formerly GRA Property Trust, previously dealt under Special Rnc, returned to a full listing yesterday after a six-year absence; the shares touched 18p before reverting to the opening level of 15p. AIG Group put on a fall for a third day of 9 to 157p on the chairman's announcement that the company had won export orders worth £1.5m. Continental Microwave, which staged a successful debut in the United Securities Market last Wednesday, closed 8 more to 325p compared with the placing price of 260p.

Particularly firm of late in the wake of favourable trading statements, leading Buildings reacted on profit-taking but closed above the worst. Blue Circle ended 6 cheaper at 476p, after 474p bid. Tarmac finished a couple of pence easier at 538p, after 532p, and showed a gain on the week of 48. Up 9 on Thursday on satisfactory preliminary results and the chairman's confident statement.

George Wimpey closed a penny cheaper on balance at 115p, after 114p. Demand ahead of next Tuesday's annual results lifted French Kier 5p to a 192p peak of 111p, while Tilbury Group, still responding to Press comment, put on 5 for a gain on the week of 36 to 440p. Exeter Building added 5 to 185p following the chairman's statement that the annual results, due next Wednesday, lifted J. Sainsbury 10 for a gain on the week of 30 to a 192p peak of 630p, but Kwik Save, annual results due the following day, softened a couple of pence to 246p. Elsewhere, Hillards came on offer and shed 6 to 154p.

Dry-Cleaners good
Dry-cleaning issues featured among secondary miscellaneous industrials. Sunlight Services rose 7 to 115p in response to good results, while Breagreener improved 3 to 44p on a Kuwaiti cleaning contract worth £8m. Sketehley gained 5 to 274p on the announcement that its offer for Means Inc. of the U.S. had been accepted, while Brown Group found support at 222p, up 10. Elsewhere, UKO International gained 3 to 48p following a Press prediction that Consult International, which already owns a 9 per cent stake in UKO, may launch a full-scale bid. Brown Bever Kent improved 3 to 24p despite the lower earnings and Fitzwilliam hardened 2 to 34p following increased first-half profits. Press comment helped J. and L. Dyson to firm 4 to 81p.

Empire dull
Leading Stores, marked lower from the outset in the absence of support, attracted selective interest after the "House" close and most finished above the worst. House of Fraser recovered from 150p to end only a penny lower on balance at 152p, while British Home, preliminary results expected Monday week, ended the same amount off at 160p, after 157p. Marks and Spencer continued to react to profit-taking in the wake of the excellent results and gave up 3 down to 158p. Empire Stores, 3 down at 100p, turned dull on fears that the bid from Great Union will be referred to the Monopolies Commission; GUS A closed a similar amount off at 480p. Rumoured NVA suitors Sears held at 64p, while comments of note among secondary counters were few, although Mess Bros stood out with a gain of 10 to 150p following the return to profits and increased annual dividend. A press mention lifted Peters 2 to 72p.

After an entry mark-down and ensuing profit-taking, GEC rallied from 624p to close only 4 down on balance at 851p. Plessey, a particularly firm market of late in response to Press comment, recovered from 385p to end a net 11p dearer at 815p. Elsewhere, the FT Actuaries 500 added 5 to 165p as did Eurotherm, in 385p. BSF, however, shed a couple of pence to 67p and Cray Electronic lost 3 to 57p.

23p following news of a large state changing hands. Among the leaders, GKN lost 7 to 195p and Tubes gave up 4 to 150p. Among Foods, Associated Dairies lost 4 to 126p; it is believed that 5m shares were placed in the market yesterday. Further demand ahead of the preliminary results advanced next Wednesday, lifted J. Sainsbury 10 for a gain on the week of 30 to a 192p peak of 630p, but Kwik Save, annual results due the following day, softened a couple of pence to 246p. Elsewhere, Hillards came on offer and shed 6 to 154p.

Among quiet Motor and Aircraft component manufacturers, second thoughts on the annual results and capital proposals lifted Flight Refuelling 5 to 265p. Distributors turned easier, Hensley gave up 3 to 107p, while Lex Service eased a couple of pence to 110p. Further consideration of the annual results clipped a penny from BSG International, 4p.

Renewed demand ahead of interim results scheduled for May 11 left Whesoo up 3 at 37p. Howard Machinery, a firm market of late, eased a penny to

up to close \$115 higher at \$362 an ounce. Financials mirrored the trend in Golds. "Amgold" were well supported and rose 2 to £33 but the remaining issues showed little movement either way. De Beers hardened a penny to 224p following the chairman's statement.

London Financials were unsettled by the downturn in UK equities but closing losses were modest. Rio Tinto-Zinc eased 4 to 448p ahead of the chairman's statement and annual report published today, while Charter gave up 2 to 210p. Australians were featured by marked weakness in Bond Corporation, which dropped to 63p before rallying to close a net 7 down at 65p; a statement yesterday by Mr Alan Bond, chairman of Bond Corporation, announced the withdrawal of Bond from all negotiations with N.C.C. Energy. The statement continued that any circumstances affecting N.C.C. Energy would have no adverse effects on the Bond group.

Traded Options attracted 1,577 deals, comprising 1,038 calls and 539 puts. The week's daily average, boosted by active business early in the week in the now expired April series, amounted to 2,303. Activity in calls was mainly centred on Imperial, which recorded 350 trades with the August 90's accounting for 107. Royal attracted an evenly-balanced business with 114 calls and 117 puts taken out.

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MONTHLY AVERAGES OF STOCK INDICES

Table with columns for Financial Times, Government Securities, Fixed Interest, Industrial Ordinary, Gold Mines, Total Bargains, E.T. - Actuaries, Industrial Group, 500 Share, Financial Group, All-Share (750), and Industrial Ordinary, All-Share. Rows show monthly averages for April, March, February, and January.

RISES AND FALLS

Table showing percentage changes in various stock indices and sectors. Columns include Yesterday, On the week, and various sub-categories like British Funds, Corporate Dom. and Foreign, Industrial, Financial and Prop., Oils, Metals, Mines, and Others.

LEADERS AND LAGGARDS

Table showing percentage changes since December 31 1981 based on Thursday April 29 1982. Lists various sectors and their performance relative to the market.

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for April 30, April 29, April 28, April 27, April 26, April 25, and a year ago. Includes Government Secs, Fixed Interest, Industrial Ord., Gold Mines, Ord. Div. Yield, Earnings, Yld. 2(Full), P/E Ratio (net), Total Bargains, and Equity turnover.

10 am 57.4, 11 am 57.8, Noon 67.4, 1 pm 57.6, 2 pm 57.7, 3 pm 57.7. Base 100 Govt. Secs. 16/10/76. Fixed Int. 1928. Industrial Ord. 17/75. Gold Mines 12/9/58. SE Activity 1974. Latest Index 01-266 8028. \*Nil-10.09.

HIGHS AND LOWS S.E. ACTIVITY

Table showing high and low prices for various stock indices and sectors. Columns include 1982, Since Completion, April 29, and April 28. Sectors include Govt. Secs, Fixed Int., and Gold Mines.

NEW HIGHS AND LOWS FOR 1982

Table listing new highs and lows for 1982 across various sectors like Woolworths, Marston Thompson, French Kier, Church, A.S. Electronic, Bosthorpe, American Stratified, British Home, Sainsbury, Bardsey, Barcham, China Light, Aerostar, Westons, ASOC Paper, 1928 Int., Authority Inv., Gallic Oil, and others.

ACTIVE STOCKS

Table showing active stocks with columns for Stock, Closing price, Day's price change, and Day's price change percentage.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's active stocks with columns for Stock, No. of closing price changes, and Thursday's closing price change.

5-DAY ACTIVE STOCKS

Table showing 5-day active stocks with columns for Stock, No. of closing price changes, and 5-day closing price change.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for Equity Groups & Sub-sections, Fixed Interest, and Average Gross Redemption Yields. Includes columns for Index, Day's change, and various sub-categories.

RECENT ISSUES

Table listing recent issues of equities with columns for Issue price, 1982, and Stock.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Issue price, 1982, and Stock.

"RIGHTS" TO SHARES

Table listing rights to shares with columns for Issue price, 1982, and Stock.

LONDON TRADED OPTIONS

Large table showing London traded options with columns for Option, Exercise price, Closing offer, Vol., and various other details.

Table showing Equity section or group, Base date, and Base value. Includes categories like Other Industrial Materials, Other Consumer, Health/Household Prod., Other Groups, Overseas Traders, Engineering Contractors, Mechanical Engineering, Office Equipment, and Industrial Group.

Table showing "RIGHTS" TO SHARES with columns for Issue price, 1982, and Stock. Includes various companies and their share rights.





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# FT SHARE INFORMATION SERVICE

## FOOD, GROCERIES—Cont.

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## HOTELS AND CATERERS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## INDUSTRIALS (Misc.)

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## ENGINEERING—Continued

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## CHEMICALS, PLASTICS—Cont.

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## BANKS & H.P.—Cont.

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## LOANS—Continued

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## BRITISH FUNDS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## FOREIGN BONDS & RAILS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## AMERICANS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## BEERS, WINES AND SPIRITS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## Five to Fifteen Years

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## Undated

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## INT. BANK AND OSEAS GOVT. STERLING ISSUES

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## CORPORATION LOANS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## CANADIANS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## BANKS AND HIRE PURCHASE

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## LOANS Public Board and Ind.

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

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## CHEMICALS, PLASTICS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

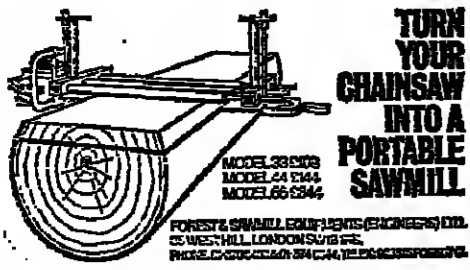
## ENGINEERING MACHINE TOOLS

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00

## FOOD, GROCERIES, ETC.

Stock	Price	Change	High	Low
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00
Asda Superstores	10.00	0.00	10.00	10.00





MAN IN THE NEWS

Steering a tricky course

BY BRIDGET BLOOM

"I AM VERY astonished to find myself in this position. I am an ordinary person who lives in south west London, in suburbia... I don't see myself as the hawk-eyed sharp nosed hard military man, leading a battle fleet into the annals of history."

So said Rear Admiral "Sandy" John Woodward, commander of Her Majesty's naval task force, in the South Atlantic on Wednesday. The Admiral went on to say that he got "emotional" talking about the prospect of ordering his men to fight and risk their lives. But he noted: "Unless people say let's stop, it could be a long and bloody campaign."

A few days earlier, however, Admiral Woodward had given an interview in which he did indeed appear as a crusty hard-nosed sea dog. He referred to last weekend's capture of South Georgia by elements of his force as "the appetiser". It was, he suggested, only the "run up to the big match, which in my view should be a walkover."

It is hard to take a man's words out of context and sometimes unjust. But Woodward's astonishingly contradictory remarks were put out under the seal of the Defence Ministry, implying authenticity if not total approval.

"I am very unhappy at the way the force commander blows hot and cold," said Denis Healey, Labour's foreign affairs spokesman, on Wednesday night, adding that it might be a good idea to "make sure he shuts up."

Later, the controversy reverberated round the Commons, with an embarrassed Mrs Thatcher referring to the admiral's "avid, and various statements." The word from Number 10 was that she was dismayed at the admiral's performance.

Sandy Woodward's friends and naval colleagues also seem distressed by his public showing so far and are puzzled to explain how the man whom they see as having a very "treacherous, not to say arid mind" would produce two such very different views of the threat facing him.

They do not blame the media for possibly misreporting him. But they do wonder whether his talent for getting totally immersed in any problem at hand may have blinded him to the critical public spotlight which is on the force and on him as its commander.

The key question is whether Woodward, who is 50 today, has the experience and the nerve to run what could be one of the most publicised and possibly dangerous naval missions for decades and at the same time maintain the close co-operation with the service and civilian bureaucracies and the political class at home.

Regarded as an exceptionally able and ambitious man, Woodward joined the Navy in 1946, going to the Dartmouth Naval College when he was 14. When he was given the task force command, he had been six months as Flag Officer of the Navy's first flotilla, having been posted there from his "civil service" job as director of Naval Plans.

He might have hoped to have become overall commander of Britain's submarine fleet, but the job went to a vice admiral. Much of Woodward's career was spent in submarines, though his most recent command, from 1976-78 was in HMS Sheffield, a Type 42 destroyer now with him in the South Atlantic.

Woodward's experience, colleagues say, makes him a "rounded" naval man with an intellect to be respected: awesome tales are told of his mathematical abilities. He is said to have been destined for high office and he could still be. The publicity apart, the force scored a notable success in South Georgia, which the admiral will now hope—providing there is no political solution first—to build up on.

Broad agreement on record EEC farm price rises

BY LARRY KLINGER IN LUXEMBOURG AND JOHN WYLES IN BRUSSELS

THE EUROPEAN Community negotiations look more likely than before to yield a settlement. There are still major differences. Britain's partners showed themselves ready this week to make special payments of \$448m a year over three years to cut British transfers to the Brussels budget.

Contrary to some reports, Mr Francis Pym, the Foreign Secretary, did not specify how much he wanted, but he did reject the proposed figure as inadequate. At the least, the British are expected to look for a 1982 rebate of about \$560m to \$670m to help offset a net contribution of \$900m to ECU.

They would then want to reduce their payments by comparable proportions in the next three or four years. If there is substantial progress on the budget issue it is thought likely that the farm agreement can be ratified on May 10 or 11, when the Agriculture Ministers are to meet again.

Settlement is unlikely to be seriously affected by Greece's refusal yesterday to accept the package without additional special aid, and Malys's qualms over the proposed level of wine prices.

Despite the wearying duration of the talks, agreement came swiftly as a result of a deal struck overnight by West Germany and Denmark. A series of high-level contacts by telephone including a French-inspired and fruitless personal plea by Herr Helmut Schmidt, the West German Chancellor, to persuade Mrs Margaret Thatcher to sever the price-budget link.

It was eventually decided in Bonn and Copenhagen, where French President Francois Mitterrand was on a State visit, that the time had come to try to force through the overdue price package.

West Germany dropped its outright opposition yesterday to the possible high cost of the European Commission proposals for supporting the wine industry, and Denmark proposed higher prices for several commodities.

Until then the two countries had been Britain's main allies in arguing against higher prices and the overall cost of the package. Mr Buchanan-Smith said that the proposed price awards were "excessive in any case, and even worse as the result of the Danish proposals supported by the Germans."

He was "very disappointed" by the West German and Danish final positions. The compromise proposals include general price increases approaching 11 per cent, against the Commission's original offer of a 9 per cent rise.

The guaranteed price for milk would go up 10.5 per cent, coupled with a cut of 0.5 percentage points in the 2.5 per cent across-the-board tax on output.

Some \$67m in EEC funds would be made available to aid small dairy producers. West Germany and France would each get about a third. Most major cereal prices would go up by 8.5 per cent, minimum quality wheat rising by 7.5 per cent. Beef would receive an extra 8.5 per cent immediately, rising to an overall 11 per cent increase in December. Sugar would go up by 9.5 per cent.

Many members of the Organisation of Petroleum Exporting Countries were discounting below this, Mr Sheilbourne pointed out.

The BNOC chairman joined other oil industry leaders in criticising the UK's oil tax system. He suggested the Government levy only corporation tax as it did with the rest of manufacturing industry. The present system, based on four taxes, was becoming onerous. There could be a case for a windfall profit tax, only in those years when rising prices provided an exceptional revenue boost.

Mr Sheilbourne said if the marginal rate of tax continued at 88 per cent, many fields would be left undeveloped. This would be a "national disaster," he said. "Without oil this country would be in very great difficulty."

Although some projects in the North Sea had been deferred by other companies, BNOC was going ahead with its £1bn plan to develop the Clyda Field.

Arabs thwart Tiny Rowland plan

BY JOHN MOORE, CITY CORRESPONDENT

GULF FISHERIES, the big Arab shareholder in Lonrho has thwarted Mr Rowland "Tiny" Rowland's plan to increase the borrowing limits of Lonrho to £1.5bn.

The defeat of Lonrho's plans came after Gulf Fisheries attacked the move at the group's annual general meeting earlier this month. Lonrho said that it needed to increase its borrowing limits from the present \$750m for future expansion and development.

Gulf, through its London representative, Mr Tom Ferguson, told shareholders at the annual meeting that the record of the Lonrho board "does not justify giving such massive scope for further acquisitions."

Mr Ferguson called for a poll of all Lonrho's shareholders to see whether there was wide support for the Lonrho plan.

Lonrho needed to gain support from at least 75 per cent of the shares cast in the poll to support its plans as the scheme was framed in a special resolution.

It failed. After nearly four weeks of heavy lobbying by Lonrho staff of its shareholders, Lonrho managed to gain 71.46 per cent of the shares in favour of the resolution.

Gulf Fisheries cast its 15 per cent stake against the resolution, and acquired support from other shareholders holding 7.5m more shares for its cause.

When the results were declared yesterday Lonrho had rallied over 118m shares, while Gulf polled 47.2m, representing 23.54 per cent of the vote cast.

Lonrho dismissed the setback last night. "We only lost the damn thing by around 3 per cent," said Mr Paul Spicer, a Lonrho director. "It is not the end of the world. It is rather a pity that the Arabs are so miserably in their attitude, and so disruptive."

He said that in terms of numbers of people voting 18,485 were for the Lonrho plan and 2,043 against.

"Our minority shareholders may take a shortsighted view, but the result shows that 90 per cent of our shareholders did not agree with them."

Mr Ferguson said that he was delighted with the result. "It shows that Lonrho has got to deal reasonably with shareholders and not take us for granted."

Gulf Fisheries is watching developments over Lonrho's possible business ventures with Israel.

"It is up to Lonrho. If they proceed with them, and get themselves on the Arab boycott list, then we will have to take legal action against them," said Mr Ferguson.

Irish property developer fails

BY BRENDAN KEEMAN AND ANDREW TAYLOR

GALLAGHER GROUP, the Republic of Ireland's largest property developer, has gone into receivership. The group, which recently bought two major office sites, has been hit by rising interest rates and a weakening commercial property market in Dublin.

No figures have been released but the group's liabilities have been estimated at about £200m (£30.9m) with at least £20m owed to major Irish banks, the largest creditor is understood to be Northern Bank, a subsidiary of the Midland, thought to be owed about £15m.

Gallagher, a private company run by 30-year-old Mr Patrick Gallagher, has been a major force in the Dublin property market in the past few years. It is also a housebuilder and has sizeable land holdings.

In the past 12 months the group had agreed to acquire for about £20m two major office sites in the centre of Dublin, at St Stephen's Green and Earlsfort Terrace. The cost of these deals is thought to have been the undoing of the group.

Interest rates in the Republic, rising to well over 20 per cent, have placed an increasing strain on Gallagher's finances. Property agents in Dublin say the group has made several attempts to sell the office site at St Stephen's Green. Other Gallagher property and land holdings may also have been on the market.

In addition to its land bank, Gallagher owns a shopping centre, the Galleria, and a 15,000 sq ft office block at Mount Street in the centre of Dublin, as well as a shopping complex at Donnybrook in the outer part of the city.

Any large-scale attempt to dispose of Gallagher's assets by the receiver, Mr Laurence Crowley, would undoubtedly weaken further the Dublin property market. Land values would almost certainly fall. One suggestion is that the Irish banks may acquire some of Gallagher's property holdings rather than disrupt the market.

Row likely on benefit for young trainees

By Philip Bassett, Labour Correspondent

THE GOVERNMENT is still expected to insist that school-leavers who refuse a place on the youth training scheme to be announced next week should forfeit supplementary benefit.

The Government's insistence on retaining this provision seems likely to provoke serious conflict between its employment services agency, the Manpower Services Commission, and its sponsoring Department of Employment, and between the Government and the TUC.

The scheme was sharply criticised in the provision as a form of conscription when the Government unveiled the training scheme.

The report of the MSC's task group, outlining the £1.1m youth training scheme, to be published on Tuesday, will stress that supplementary benefit payments should be retained as a cushion for school-leavers who do not obtain places on the scheme for whatever reason.

The scheme was unanimously endorsed earlier this week by the Commission, and TUC representatives made it clear that they would refuse to cooperate with any watered-down version. The aim is to provide a one-year work-based training course for 460,000 16-year-olds from September next year as a replacement to the now much-discredited Youth Opportunities Programme.

While no firm decisions have yet been taken, Ministers are determined that there should be no change in their proposal to withdraw the safety net of supplementary benefit. This is likely to increase pressure from trade union militants for the TUC to withdraw from the MSC.

It is not clear whether the TUC will do that, however, since Ministers will attempt to argue that the decision does not mean that an acceptance of a place on the scheme is compulsory.

But apart from this element of the task group's scheme—details of which have already been studied by Ministers—seems to have won general Government approval.

In particular, Ministers seem to have accepted the task group's insistence that the allowance paid to trainees should be £38, roughly in line (after inflation) with the £35 currently paid to YOP trainees rather than the £15 weekly allowance originally proposed by the Government. This is a significant breakthrough for the MSC.

Ministers believe that the rest of the scheme—the quality of its training and its overall cost—is broadly acceptable. But they have reservations about whether it can be applied to the young employed, as well as the young unemployed.

Weather

UK TODAY GOLD, wet and windy. Cloudy with some rain and wintry showers in the north, spreading south. London, England and Wales Mostly cloudy, some rain, becoming brighter. Borders, Edinburgh and Dundee Bright intervals, scattered wintery showers. Max 8C (46F). Rest of Scotland, Northern Ireland Rather cloudy, frequent blustery, wintry showers. Wind strong, heavy force in places. Max 6C (43F). Outlook: Showers or longer outbreaks of rain.

WORLDWIDE

Table with 3 columns: City, Temp, Wind. Includes cities like Algeciras, Algiers, Athens, Bahrain, Beirut, Bogota, Brasilia, Buenos Aires, Calcutta, Canton, Caracas, Chennai, Colombo, Copenhagen, Curitiba, Dallas, Delhi, Dhaka, Doha, Dublin, Frankfurt, Geneva, Gibraltar, Glasgow, Harare, Helsinki, Hong Kong, Istanbul, Jakarta, Johannesburg, Kuala Lumpur, London, Lyons, Madrid, Manila, Mexico City, Miami, Milan, Moscow, Ottawa, Paris, Perth, Rome, Santiago, Sao Paulo, Seoul, Singapore, Stockholm, Taipei, Tangier, Tel Aviv, Toronto, Tokyo, Vancouver, Vienna, Warsaw, Wellington, Zurich.

THE LEX COLUMN

Putting a price on peace

Index fell 6.9 to 575.1

A report suggesting Argentina's apparent accommodation at the UN came just as the London markets were packing up after another unsatisfactory day. The 'jobbers' were not exactly keen to pick-up their squalling telephones and quote from those brave enough to deal suggested that long-dated gilt-edged might be three points up on Tuesday morning, with the 30-Share Index not far short of 600—on the very uncertain assumption that withdrawal of troops really is on the cards.

One reason the London markets held so stable during the Falklands crisis—after the first nervous week—has been the absence of new stock. The Government Broker has not put any strain on the gilt-edged market, while equity rights issues, have dried up since Hammerson's at the very beginning of April. Things could be very different in May. But the institutions seem to have plenty of cash, and if rights issues come out with profits statements as good as last week's from Marks & Spencer, BATs, Tarmac and Blue Circle, then nobody is going to complain.

The last couple of weeks have seen a series of improved company profit figures. These have in general been anticipated and result in the main from the aggressive cost-cutting undertaken over the last couple of years. At the same time, however, some company chairmen—though by no means all—are cautiously raising their heads above the parapet to announce definite signs of better UK demand. After at least three false dawns no one is anxious to call a turn in the economy just yet. On the other hand, if Treasury and other economic forecasts of a 14 per cent rise in GDP this year are to be vindicated, the signs should be evident now.

So far caution must be the watchword, and it will be a month or more before official figures are available. Chairmen reporting better demand tend to date the improvement from early March; but the very bad winter weather makes it difficult to interpret the extent to which a subsequent pick-up simply represents deferred business. Meanwhile, some

apparently new orders for industrial companies may be solely the inheritance of carnage among its competitors. The lower level of sterling has certainly also been helpful, both in encouraging exports and discouraging imports.

The destocking phase has now more or less run its course, and some companies may be finding it impossible to raise production by perhaps a quarter or more back to the levels of final demand—even though that may be running 5 per cent below the level of two years ago. The encouraging profit trends will also tend to reinforce plans for capital expenditure and already the Equipment Leasing Association reports a pick up in enquiries among its members.

Activity in construction has clearly seen a pick-up. Blue Circle reports higher demand for cement recently; other companies are experiencing a gain in plant hire. There are one or two happier faces in various parts of the engineering sector. However, Marks and Spencer notwithstanding, consumer demand remains extremely dull. In contrast to last year, the outside world will be a dampening factor—this week's disappointing figures from ICI underline the pressures in internationally traded commodity type markets.

So, while business activity may be beginning to recover from a solid bottom, the improvement is still far from reaching the stage of being self-reinforcing.

But, unlike LASMO, BNOC has yet to show that it can find and develop reserves without a helping hand from the government.

At current crude prices, BNOC's net asset value is probably around £1.4bn. The 51 per cent of the company which is for sale might attract a price tag of about £500m on the right fields.

How to make your first commodity speculation.

Frankly, commodities are not the kind of investment to which you should ever commit more than a small part of your investment capital. The markets are fast moving, and the risks are high. There is no denying, however, that if your hunches about market movements prove correct the potential for profit is simply colossal. And playing the market can be great fun. A case can be made therefore for the established investor indulging in a little modest commodity speculation now and then. But how?

Trading commodities direct means big problems for the small investor. First he has to find a reliable broker who is prepared to handle a relatively small account.

Secondly, because he can only trade in 'whole' lots, he may find the cost of entry to the markets unacceptably high. But worst of all he could find himself paying income tax of up to 75% on his profits.

There is however, another much better way for the private investor to speculate in commodities. Through I G Index. Technically I G Index is a bookmaker running books on commodity price movements. With us, instead of trading in commodity futures direct, you simply make a wager that the particular commodity you are interested in will move up or down in price.

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